

CA1
FN 8
-R28



3 1761 11555438 8

REPORT OF THE WARTIME PRICES AND TRADE BOARD
Canada. Wartime Prices and Trade Board. [1945]

CAI FN 8

-R28

Gov.Doc

Can

W

Canada. Wartime Prices and

Trade Board

Report.

[4th](1945)

Gov. Doc.
Can
W

Canada. War-time Prices and Trade Board
(DOMINION OF CANADA)

[415]

REPORT
of the
**WARTIME PRICES
AND
TRADE BOARD**

January 1, 1945

to

December 31, 1945

(including important developments)

up to

(March 1, 1946)



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946

446245
8-5-46



REPORT
OF THE
WARTIME PRICES AND TRADE BOARD

JANUARY 1, 1945 to DECEMBER 31, 1945
INCLUDING IMPORTANT DEVELOPMENTS UP TO MARCH 1, 1946.

To His Excellency Field Marshal The Right Honourable Viscount Alexander of Tunis, G.C.B., G.C.M.G., C.S.I., D.S.O., M.C., L.L.D., A.D.C., Governor General and Commander-in-Chief of the Dominion of Canada

MAY IT PLEASE YOUR EXCELLENCY:

The undersigned has the honour to forward to Your Excellency the report of the Chairman of the Wartime Prices and Trade Board on the activities of the Board for the year ending December 31, 1945, and including important developments up to March 1, 1946. This is the fourth report of the Board, which was established on September 3, 1939.

All of which is respectfully submitted.

J. L. ILSLEY,
Minister of Finance.

OTTAWA, April 29, 1946.

To the Honourable J. L. ILSLEY,
Minister of Finance,
Ottawa, Canada.

SIR,—I have the honour to submit a report of the activities of the Wartime Prices and Trade Board from January 1, 1945, to December 31, 1945. In view of the changes following the end of the year the important developments up to March 1, 1946, have been included.

I have the honour to be, Sir,

Your obedient servant,

D. GORDON,
Chairman.

OTTAWA, April 15, 1946.

TABLE OF CONTENTS

	PAGE
I. GENERAL REVIEW.....	3
A. Continued Menace of Inflation.....	3
B. Adjustment of Stabilization Controls to Changed Conditions of Transition Period.....	5
II. PRICE POLICY AND PROCEDURE.....	7
A. The Continuing Problem of Increased Costs.....	7
B. Reconversion Pricing.....	9
C. Import Pricing.....	10
D. Subsidy Policy.....	11
E. Price Decontrol.....	11
III. SUPPLY AND DISTRIBUTION.....	12
A. Curtailment of War Production.....	12
B. The Supply of Manpower.....	13
C. World Shortages and Reconversion Difficulties Abroad.....	14
D. Continuing Shortages in Canada.....	14
E. Measures to Sustain and Increase Supplies.....	16
F. Removal of Restrictions on Production.....	16
G. Relaxation of Distribution Controls.....	17
H. Assistance to Demobilized Servicemen.....	17
I. Rationing.....	18
J. The Level of Civilian Consumption.....	18
IV. FOODS.....	19
A. Meats.....	20
B. Poultry and Eggs.....	21
C. Fish and Fish Products.....	22
D. Dairy Products.....	22
E. Flour and Bread.....	25
F. Fresh Fruits and Vegetables.....	23
G. Canned Fruits and Vegetables.....	25
H. Sugar.....	25
I. Oils and Fats.....	25
J. Other Foodstuffs.....	26
V. FARM EQUIPMENT AND SUPPLIES.....	26
A. Farm Machinery.....	27
B. Feeds.....	27
C. Other Farm Supplies.....	28
VI. TEXTILES.....	28
A. Production Directives.....	29
B. Woollen Goods.....	30
C. Cotton Goods.....	31
D. Rayon Goods.....	32
E. Removal of Restrictive Regulations.....	32
F. Price Problems.....	33
VII. PULP AND PAPER.....	34
A. Newsprint.....	35
B. Woodpulp.....	35
C. Domestic Paper Controls.....	36
VIII. LUMBER AND LUMBER PRODUCTS.....	37
A. Lumber.....	37
B. Woodenware.....	38
IX. METALS AND METAL GOODS.....	39
A. Metal Supplies and Controls.....	39
B. Metal Price Problems.....	40
C. Metal Goods—Supplies and Controls.....	40
D. Pricing of Metal Goods.....	42
X. FUELS.....	43
A. Petroleum Products.....	43
B. Coal.....	44
C. Fuelwood.....	44
XI. CONSTRUCTION PRODUCTS.....	45
A. Supply of Building Materials.....	45
B. Pricing of Building Materials.....	46
XII. RENTALS AND SHELTER.....	47
A. Eviction Control.....	48
B. Other Revisions of Eviction Control.....	49
C. Emergency Shelter.....	50
D. Commercial Accommodation.....	51
E. Conventions and Hotel Accommodation.....	53

TABLE OF CONTENTS—Continued

	PAGE
XIII. CONSUMER CREDIT.....	53
XIV. ENFORCEMENT.....	55
XV. BOARD ORGANIZATION.....	57
XVI. PRICE MOVEMENTS, August 1939 to December 1945.....	58
A. General Review.....	58
B. Cost of Living Changes.....	60
C. Wholesale Price Changes.....	63

APPENDICES

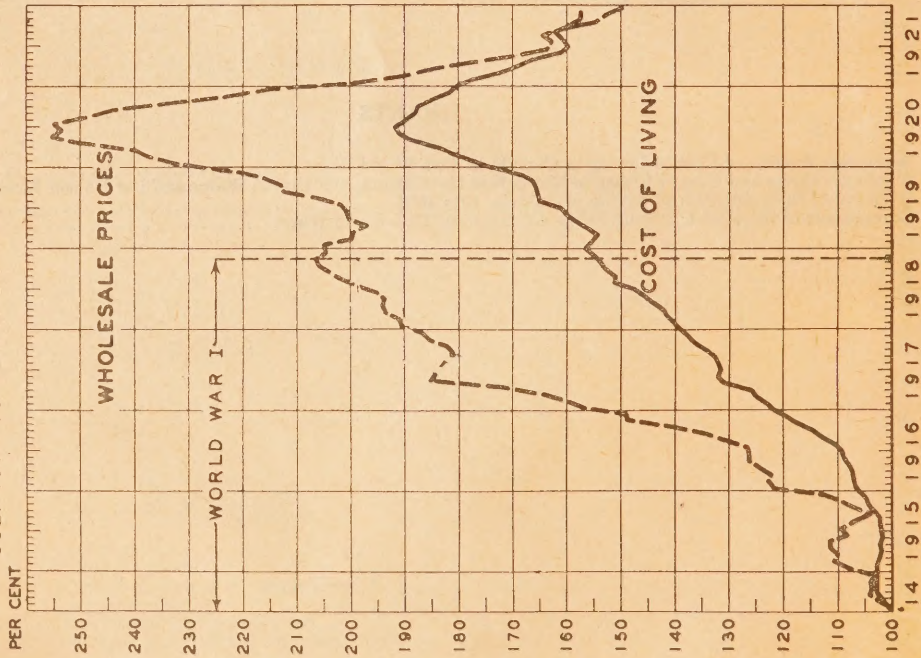
A—Government Policy on Price and Wage Control in the Transition Period.....	64
B—Directory of Officials.....	70
B-1—The Wartime Prices and Trade Board.....	70
B-2—Associated Companies.....	70
B-3—Head Office Divisions.....	70
C—Co-ordinations and Administrations.....	71
D—Regional and Local Offices and Prices and Supply Representatives.....	71
E—Orders in Council affecting the Wartime Prices and Trade Board.....	71
F—Statements of Administrative Policy Issued by the Wartime Prices and Trade Board.....	73
G—Summary of the Operations of the Commodity Prices Stabilization Corporation from December 1, 1941 to December 31, 1945.....	73
H—Summary of the Operations of Other Associated Companies from December 1, 1941 to December 31, 1945, as shown by the financial statement of each Company.....	83
I—Estimated and Actual Administrative Expenditures of the Wartime Prices and Trade Board.....	84
J—Changes in Customs Valuation, Duties and Taxes.....	84
J-1—Valuation for Customs Purposes Modified.....	84
J-2—Duties and Taxes Modified or Remitted.....	85
K—Index Numbers of the Cost of Living.....	89
K-1—Index Numbers of the Cost of Living in Canada During Actual Hostilities of Two world Wars.....	89
K-2—Index Numbers of Cost of Living in Canada During the Last Year of Hostilities and into the Aftermath of Two World Wars.....	90
L—Index Numbers of Wholesale Prices.....	92
L-1—Index Numbers of Wholesale Prices During Actual Hostilities of Two World Wars.....	92
L-2—Index Numbers of Wholesale Prices During the Last Year of Hostilities and into the Aftermath of Two World Wars.....	92

CHARTS

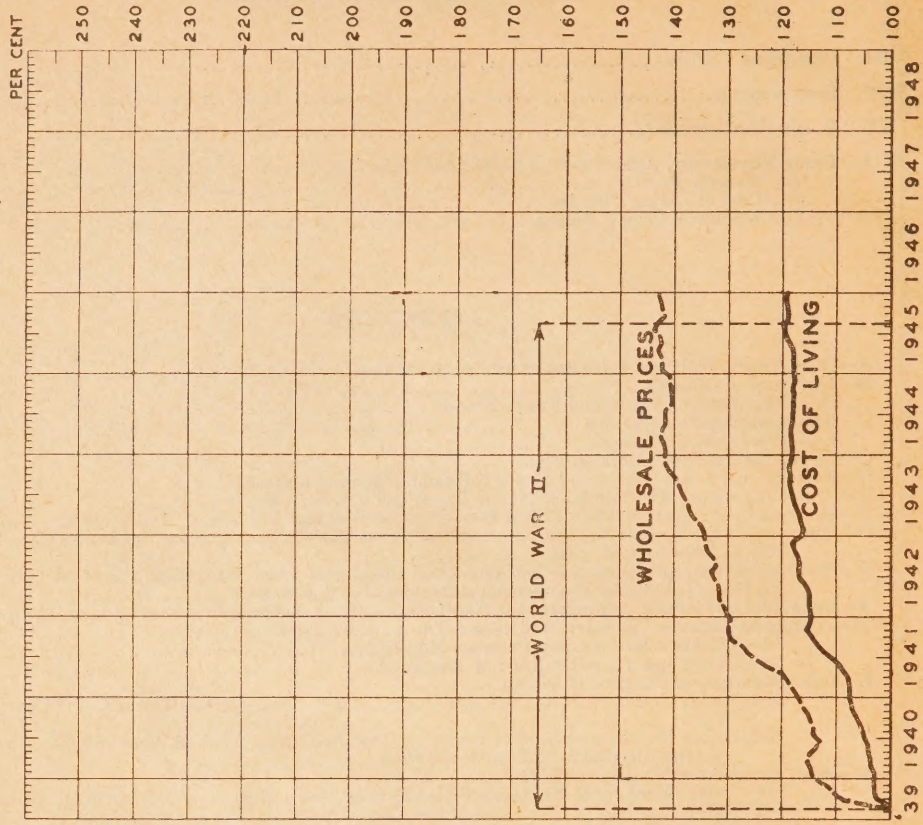
Wholesale Prices and Cost of Living in Canada in Two World Wars.....	2
Wholesale Prices and Cost of Living in World War II—Canada, the United States and the United Kingdom.....	8
Wholesale Prices and Cost of Living in Canada, 1914-1946.....	59
Components of the Cost of Living Index in Canada in Two World Wars.....	61-2

WHOLESALE PRICES AND COST OF LIVING IN CANADA

JULY 1914 TO DECEMBER 1921 (JULY 1914=100)



AUGUST 1939 TO DATE (AUGUST 1939=100)



I. GENERAL REVIEW

Canada's record in combating inflation during the war compared favourably with that of any other country, not excepting the United States which was similarly favoured in escaping warfare and destruction within its own boundaries. In consequence, Canada entered the post-war period in a comparatively strong economic position without the violent disruption of her economic affairs and the extreme distortion of her price structure which were unfortunately characteristic of conditions over so much of the world.

During the sixth and last year of the war the Canadian price level remained remarkably stable. At the end of 1945 the official index of the cost of living was only a little more than 1 per cent higher than at the beginning of the year and the index of wholesale prices had increased even less. From the inception of the price ceiling late in 1941, the cost of living had been held to an increase of 4 per cent and the wholesale price level to one of 10 per cent. Over the whole period from the beginning of the war to the end of last year, the cost of living index had risen by less than 20 per cent and wholesale prices, which were abnormally low just prior to the war, by about 44 per cent.

The course of Canadian prices in the Second World War was in marked contrast to the record in the war of 1914-18. Though the duration of the earlier conflict was twenty months shorter, the increase in prices was two and one-half times as great. During the First World War the cost of living had risen by 55 per cent and wholesale prices by over 100 per cent. Moreover, the war-generated inflation of prices had not spent itself when the Armistice was signed. After a brief pause, the price level began to increase again in the spring of 1919 and in a final dramatic surge soared upwards to the middle of 1920, carrying the cost of living and wholesale prices to peaks which were 92 per cent and 155 per cent, respectively, above the pre-war level. What happened thereafter is well known. Prices plunged downwards, large-scale unemployment developed,

business failures multiplied with inventory losses and reduced turnover, and farm income decreased very sharply. It was several years before economic recovery was well under way.

A. CONTINUED MENACE OF INFLATION

While conditions after the close of the Second World War have not been identical with those prevailing a generation earlier, they are sufficiently similar in their essential aspects to emphasize the danger that history might repeat itself. In some respects, indeed, the inflationary pressures throughout the world are more severe than in 1919. The shortages of basic necessities and industrial materials are more serious and more widespread. The accumulated store of purchasing power is relatively much larger, particularly in North America. The problem of re-establishing orderly economic conditions and of replacing and repairing capital equipment in Europe and Asia is greater and more complicated than after the First World War, and depends even more heavily upon the assistance and co-operation of North America.

The defeat of the Axis powers brought into sharp relief the world-wide shortages of basic necessities such as food, clothing, fuel and building materials. To the requirements of such countries as the United Kingdom, where consumption has been pared down to a minimum wartime standard, and to the demands of North Americans looking forward to a removal of wartime restrictions, were suddenly added the urgent requirements of liberated countries in Europe and in the Far East. Though some provision has been made to supply the liberated populations with relief assistance, through the United Nations Relief and Rehabilitation Administration and military channels, the amounts available have been far from sufficient to deal with actual requirements. The food crisis has steadily become more serious, resulting in malnutrition and disease and threatening mass starvation in parts of Europe and in China and India. Acute shortages of clothing, building supplies and other ne-

cessities have continued to prevail and the demand for fuels and industrial materials, even including a number of the metals, have remained much in excess of the current supplies.

Inflation, the natural consequence of shortages and disruption, is rampant and world-wide. In some countries price increases have been of fantastic proportions and in most countries prices are high and still rising. In almost all countries, purchasing power exceeds the presently available supplies of goods and services. Everywhere, now that the compelling urgency of war has passed, producer groups are seeking higher returns for their goods, their services and their labour.

Even on the North American continent, which had escaped war destruction and disruption, inflationary pressures have remained severe and in some respects have been accentuated. The postwar recession, which some people had believed would accompany or shortly follow the cancellation of war contracts and demobilization, has not materialized. Civilian employment has increased rapidly, stimulated by the large accumulated demands of consumers and business, and by the very heavy export requirements. The impact of the changeover to peacetime activities has been cushioned by demobilization payments, by unemployment assistance and other social security payments, and by the expenditure of wartime savings. Though income payments have declined slightly from their wartime peak, they have remained at an extraordinarily high level. The rate of private spending has continued to increase, and at an accelerated pace, as the rate of saving has decreased and as in some cases accumulated wartime savings have been drawn upon. While civilian production has increased steadily, the available supplies of goods and services have not caught up with the high level of demand. It takes time to reconvert war industries and to enlarge the capacity of civilian industries, and the process has been impeded and delayed by shortages of particular materials and parts and of particular kinds of labour, and by industrial disputes. Thus, a continuing gap between supply and demand has sustained the pressures towards inflation. And to add further to

these pressures, higher costs have been pushing against controlled prices, because of the loss of profitable volume which frequently resulted from the cancellation of war contracts, because of the continued shortage of labour in some civilian industries, and because of the greater readiness of particular groups to demand higher returns.

These developments and pressures have been apparent both in Canada and in the United States, though the inflationary pressures have perhaps been less severe and more successfully resisted in Canada. Nevertheless, Canada's progress in reconversion has been seriously affected by the shortages and strikes in the United States because of this country's heavy dependence upon United States materials and parts. At the same time Canada, possibly even more than the United States, was affected by the world shortage of basic necessities. To play her part in helping to meet the urgent demands of Britain and liberated countries and to maintain her exports to traditional markets, Canada has found it necessary to continue limiting her domestic consumption of a number of important commodities, such as foodstuffs and wood and paper products, and, in the case of meat this involved the reimposition of consumer rationing. And like other countries, Canada has been unable to obtain an adequate volume of imports of such products as textiles, sugar, and oils and fats.

Thus, though more than six months have passed since the end of the war, supplies of food, clothing, fuels and certain other commodities are still by no means adequate to meet unrestricted domestic demands, nor in view of the acute world shortages can any immediate correction be expected. In the case of food, indeed, the general shortage is such that rationing of meat, butter, and sugar will be needed for some time to come. While substantial progress has been made in reconversion, it will also be a considerable time before sufficient supplies of such things as building materials and industrial equipment can be produced or before output of such consumer durable goods as automobiles and refrigerators can begin to fill the accumulated demand. Meanwhile, pent-up needs for consumer goods, for housing, for industrial and public construction eagerly seek fulfil-

ment and demand for most goods and services continues to exceed the supply.

In these circumstances, a number of the war-imposed controls are still urgently needed, particularly price control, the rationing of some essential foodstuffs, the allocation of certain scarce materials, and the direction of production of some essentials in short supply. The necessary powers to continue such needed emergency controls for a period of approximately one year were embodied in a special Act of Parliament—the National Emergency Transitional Powers Act—which came into force on January 1, 1946.

B. ADJUSTMENT OF STABILIZATION CONTROLS TO CHANGED CONDITIONS OF TRANSITION PERIOD

While stabilization controls were still essential to combat inflation and dislocation, the economic environment changed fundamentally with victory. War demands no longer necessitated a general restriction of civilian activities. The emphasis was now on expanding civilian production of all kinds as promptly as was feasible. Government no longer underwrote production and employment for the purposes of war, and a high level of peacetime employment depended heavily upon the resumption and expansion of private business and industry. With this fundamental change in mind, most of the controls restricting or prohibiting particular kinds of civilian output had been removed before the war was over. Their removal began in the latter half of 1944, and shortly after V-E Day very few of them remained. Where production of essential civilian goods was inadequate, reliance was placed upon positive measures designed to increase the type of production needed (e.g., the textile directive program) rather than upon negative restrictions.

The altered conditions of the transition to peacetime activities also resulted in certain changes in the administration of price control itself. For one thing, the distinction made in wartime between essential and non-essential goods in dealing with applications for price adjustments was not appropriate to postwar circumstances. While some civilian goods were more urgently required than others, it was no longer desirable or feasible to make any general distinction on grounds of essentiality between one type of pro-

duction and another in matters of pricing. Of even more importance, particular care was taken to see that the administration of price control was not so rigid as to restrict or retard the expansion of civilian output. In wartime, the consequences of adhering too rigidly to basic period price ceilings might not have been unduly serious since government expenditures virtually guaranteed a peak level of production and indirectly reduced business risks. In the period of transition, however, a prompt and sustained increase in peacetime production depended heavily upon the existence of adequate incentives and the Board, therefore, gave increasing attention to prospective earnings as well as to current earnings in estimating the financial need of applicants for price adjustments. It should be added that the need for upward adjustments in price ceilings was minimized by government action in reducing and removing special war taxes, such as the excise taxes on automobiles and electrical appliances, thus providing the manufacturers of many of the most important "reconversion" goods with considerable leeway to absorb increased costs without raising their established price ceilings. In addition, the reduction in the excess profits tax was a major step in providing additional incentives towards larger and more efficient peacetime output.

The end of the war also emphasized the temporary and emergency nature of the continuing war-imposed controls. While the close of hostilities did not result in the early correction of the abnormal economic conditions for which the war was responsible, it meant that the enormous resources of manpower and materials which had been absorbed in wartime pursuits could at long last be turned towards the task of overcoming the accumulated shortages of goods and capital equipment. During the war, the pressures towards inflation could be and were controlled. But they could not be removed because they were the direct result of diverting so much productive capacity towards the purposes of destruction. With victory it was possible to look forward towards a solution of the problem of inflation. Anti-inflation controls were still essential to prevent soaring prices and economic disruption, but

for the first time genuine progress could be made in overcoming the shortages of civilian goods and equipment with a mounting flow of production. While it was not possible to forecast just how much longer the continuing emergency controls would be required, it was apparent that need for them would gradually disappear. Government policy was aimed towards decontrol at the earliest time consistent with the prevention of inflation, towards the re-establishment of a free price system and towards the development of normal trading relationships with other countries.

In these circumstances, a policy of gradual and controlled readjustment superseded the more rigid wartime policy of price stabilization. The use of subsidies was to be reduced and gradually eliminated. While subsidies had played a vital part in preventing cumulative price advances during the war, and while their complete removal could not be undertaken immediately without running the risk of a breakdown of price control, their widespread application was obviously inconsistent with an eventual return to a free price structure. In some cases the end of the war removed the need for subsidy payments, as in that of sea-borne imports of petroleum. But in many others, the conditions which had led to their imposition persisted and in some instances there was little indication that they might not persist indefinitely. All the subsidy arrangements made by the Board were accordingly reconsidered in the light of the changed circumstances and a program of gradual removal was commenced, even though it involved moderate increases in ceiling prices. A number of the less important subsidies were removed in 1945. Early in 1946 the scope of import subsidies was narrowed down to a limited number of prime essentials and a first step was taken towards reducing the major subsidies on imported cottons.

The policy of price control was also modified in order to facilitate the re-establishment of external trade. A number of countries which had suffered heavy war losses and dislocation of their economies were finding it difficult to arrange for shipment of their goods to Canada within the provisions of Canadian price

ceilings. For this reason, the method of setting price ceilings on imports from the United Kingdom, France and other war-impooverished countries, was liberalized so that price control would not prevent the entry of such imports into the Canadian market.

Finally, looking towards the ultimate removal of price control, the transitional policy also envisaged the suspension of price ceilings as supplies became more adequate and the risk of sharp price advances diminished. The first step in suspending ceilings was taken early in 1946 when a miscellaneous group of goods and services, few of which were significant in family expenditure, were suspended from control. At the date of writing, this step had been followed by only a few price increases.

The Government's policy of price and wage control in the transition period was outlined in a statement made by the Prime Minister on January 31, 1946. Because of its relevance to the operations of the Wartime Prices and Trade Board, this statement is reproduced in Appendix A (See page 64). It discusses the manner in which the stabilization program has been adapted to the changed environment of the transition period. It points out that the Government's policy of "gradual and carefully controlled readjustment" may not rule out some gradual and moderate increase in the price level. It emphasizes the continuing need for stabilization controls, stating that "the one satisfactory answer to the danger of inflation is more and more production. Given co-operation and support by the Canadian people, anti-inflation controls will keep prices in check while production at home and abroad, is catching up with demand. Nothing would restrict a lasting increase in production and employment more than a sharp rise in prices which would cut demand down to the present restricted level of supply. To curtail demand, which is precisely what soaring prices would do, would be to reduce prospective markets and employment opportunities. The present gap between demand and supply must be bridged to the largest feasible extent by increasing supply, by producing more and more, rather than by restricting demand through high prices."

II. PRICE POLICY AND PROCEDURE

During 1945 and early in 1946 price control was adjusted to a variety of changed circumstances and had to deal with a much increased volume of price fixations. The removal of orders restricting production and the gradual release of materials and labour from war uses was accompanied and followed by the appearance of large numbers of new articles of a type which had not been produced in volume for several years, and for all of which maximum prices had to be fixed. As more and more men were demobilized, this re-appearance of a variety of products was accompanied by a continuing increase in the number of new entrants into business. The fixing of ceilings for these new goods and new businesses, and for the growing number of available imported items, constituted a very heavy addition to the administrative burden of price control.

At the same time there were numerous problems arising from the pressure of increased costs. Firms that had been engaged in war production were returning to the production of peacetime goods under cost conditions often substantially different from those of the basic period. Firms which had no financial difficulty in selling their limited civilian production at basic period prices so long as they were working on large war contracts were now deprived of this important source of revenue. Though there was good reason to anticipate that some of the wartime inflation of costs would be corrected as shortages of materials and labour were overcome, this tendency was slow to develop and in a number of cases could not be expected to be sufficient to meet the difficulties of producers. At the same time, labour shortages in some important civilian industries remained severe and in certain cases labour costs continued to rise.

Furthermore, as pointed out in the preceding chapter, victory necessitated certain changes in the policy of price control. Price control had to be more flexible than during the war and particular care had to be taken to see that price ceilings were not administered in a manner that would impede a prompt and effective expansion of civilian activities.

In dealing with applications for price adjustments, more attention had to be given to prospective earnings than during the war when greater emphasis was placed on current earnings. The wartime distinction between essential and non-essential goods in matters of pricing had to be discontinued and the same pricing standards had to be applied to all applicants for relief from the provisions of the ceiling. Moreover, the Board had to work towards the ultimate removal of price ceilings. With hostilities over, it was necessary to prepare for a smooth transition to a free price structure by gradually eliminating the use of subsidies and, when necessary, by permitting price increases in their place. As part of this policy, plans had also to be made to suspend price ceilings in particular fields when supply and demand were approaching a reasonable balance.

While these changes produced a more flexible policy appropriate to the conditions of the transition, they did not mean any weakening in the Board's efforts to keep prices in hand. They recognized the changed conditions of the period of readjustment and the fact that an unduly rigid policy might defeat the very purposes of the stabilization program. They recognized that, in some cases, price ceilings might have to bend if they were not to break. But these changes did not mean that price ceilings were cut adrift from their anchor of basic period values. Though in some cases the cables had to be lengthened the anchor of price control remained the price-quality relationships of the basic period, September 15 to October 11, 1941.

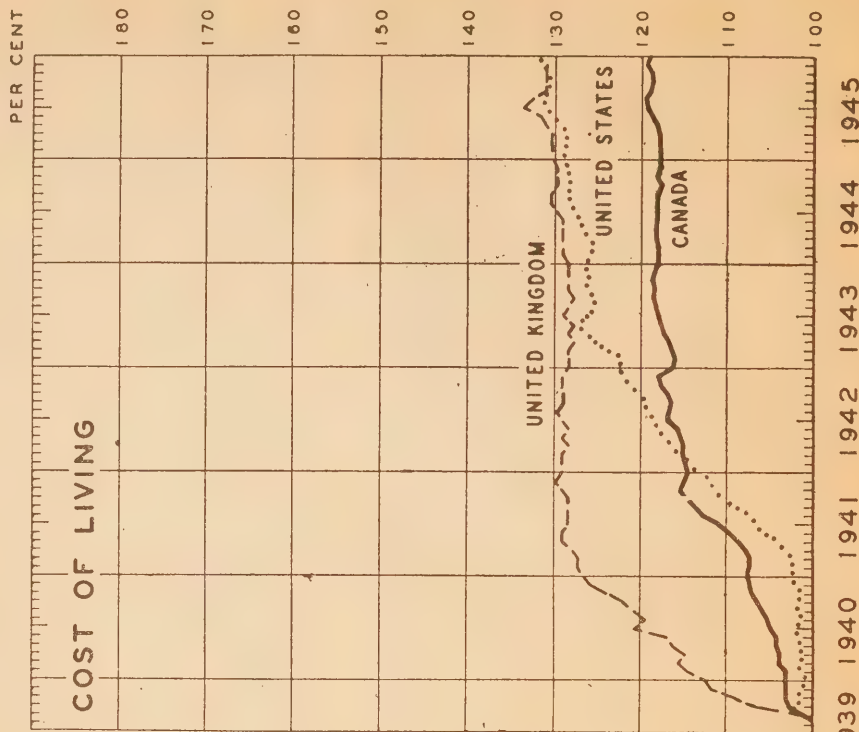
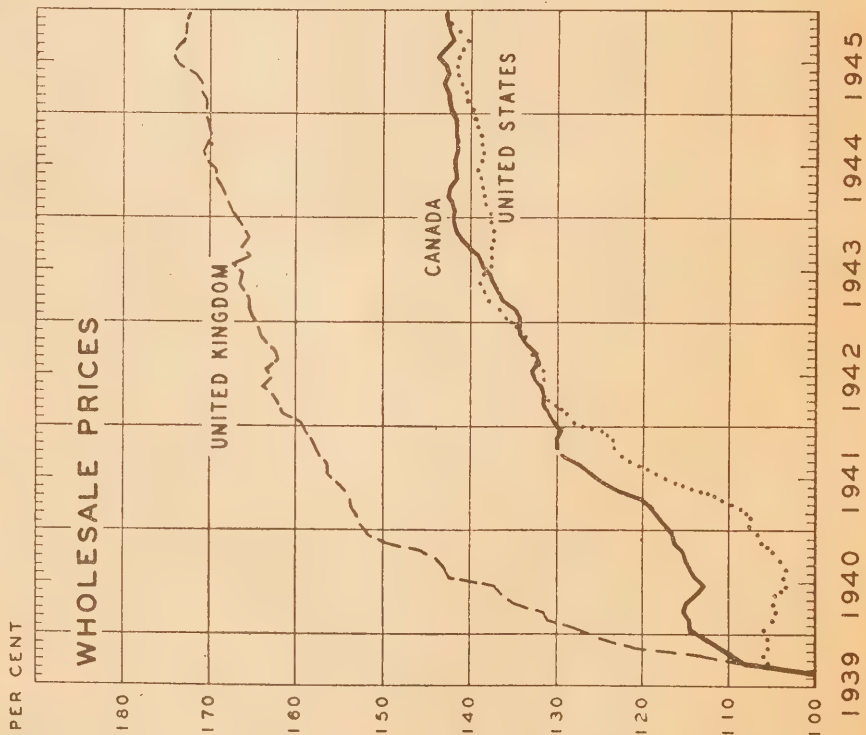
A. THE CONTINUING PROBLEM OF INCREASED COSTS

Higher costs continued their pressure upon price ceilings and, to an increasing extent, necessitated price adjustments. The Board, of course, did not recognize the mere fact of increased costs as grounds for price advances. So far as was practicable, it continued to require their absorption by the businesses concerned. When this was not feasible, it attempted to see that the "squeeze" was apportioned amongst producers and dis-

WHOLESALE PRICES AND COST OF LIVING

CANADA UNITED STATES UNITED KINGDOM

AUG. 1939=100



tributors in the trade without affecting the retail price. Price increases at the retail level were only permitted when the "squeeze" was too large to be absorbed at earlier stages of production and distribution. The basic criterion for determining whether a price increase should be permitted was the present or prospective financial position of the firm or industry concerned. If the overall financial position of the firm or industry requesting price advances for its products was unsatisfactory or was likely to become unsatisfactory in the near future, the Board was prepared to authorize appropriate adjustments. Price adjustments were not permitted merely on the grounds that costs had increased or that the margin on a particular line was lower than usual. While in extreme and anomalous cases, consideration has been given to price adjustments on particular lines even when financial need could not be demonstrated, such adjustments had to be strictly limited to exceptional cases in order to prevent a rapid spread of price adjustments which might readily have led to serious increases in the cost of living and to a breakdown in effective price control.

During 1945 the number of cases in which adjustment of ceilings had to be approved on the basis of overall financial need increased substantially. Continuing shortages of materials and labour, the cancellation of war contracts, the accumulation of increased costs, the authorization of price adjustments for some materials and wage increases or reductions in working time had the effect in greater or lesser degree of worsening the financial position of a number of businesses. In those cases where financial statements and a reasonable estimate of future operations indicated the need for relief, appropriate price adjustments were made.

To provide more flexibility in price control and as a practical method of sharing the unavoidable "squeeze" of higher costs, the Board more frequently adopted the practice of setting the maximum selling price at retail and of allowing freedom of bargaining at earlier stages of distribution and production to the extent that this was practicable and appropriate. This practice was also necessitated for administrative reasons in a few fields, such as the automobile industry where the

Board would otherwise have been faced with the almost impossible administrative task of fixing appropriate maximum prices for many thousands of items involved in automobile production. As a variation of the same technique provision was made in a number of cases for "trading under the ceiling", i.e., maximum prices were established at one or more levels of trade but the Board did not name maximum markups over actual costs. This practice, which held out the possibility of increased margins to skilful purchasers, provided a substantial inducement to competitive buying without in any way increasing consumer prices and sometimes even tending to reduce them. This method was used in the electrical appliances business and played a significant part in import pricing.

B. RECONVERSION PRICING

As might be expected, some of the most difficult problems of pricing developed in regard to goods which had been out of production for some time. Manufacturers who had been engaged in war production were faced with the job of reconverting their plants to peacetime uses and frequently found that their cost structure was substantially higher than that prevailing during the basic period. At the same time, the delays involved in shifting to civilian production and the continued uncertainty concerning the supplies of labour, materials, and component parts (often from the United States) made estimates of prospective output and of production costs exceptionally difficult. The difficulties of establishing maximum prices which would be as nearly in accord with basic period values as was practicable under the cost conditions currently facing producers was a problem of no small magnitude.

The Board's problem, however, in pricing such goods was minimized by the Government's action in reducing and eliminating certain war excise taxes, the war exchange tax and the sales tax on particular commodities. In May the excise tax on automobiles, cameras and certain photographic equipment, phonograph record players and radios was reduced, while the sales tax on building materials and the excise tax on electrical and gas fixtures and appliances were eliminated. This step was followed in

the October budget by the complete removal of the war exchange tax and by the elimination of the sales tax on production goods. These taxes had all been in effect in the basic period and had been reflected in prices at that time. Accordingly, their removal provided substantial leeway for the absorption of increased costs within the framework of basic period prices.

Nevertheless, in some cases price adjustments were still required. These were generally made on the basis of overall financial need with the emphasis necessarily on prospective earnings. Needless to say, reliable forecasts of earnings were difficult to make and the urgency of getting prices established did not always permit as exhaustive an investigation into prospective costs and volume as might ideally have been desirable.

The Board has given careful study to the possibility that some price adjustments may be necessary to avoid impeding the production of particular lines or types of merchandise by businesses which cannot establish financial need on the basis of their overall operations, and in some really exceptional cases such adjustments have been authorized. While a good deal of emphasis has been given in some quarters to the possible restrictive effects of low margins on particular lines and products, it must be remembered that shortages of materials, labour, and plant capacity are major limiting factors on the volume of production. Moreover, it must also be recognized that it would be impossible to maintain any semblance of price control if a policy were adopted of equating profit margins on all classes and types of goods produced by each manufacturer since this would mean in effect increasing margins on the majority of lines to the comparatively high margins prevailing for a few items. Nor would such a policy have any basis on past experience, for margins normally vary substantially between one line and another. While these considerations rule out any policy of equating margins of profits, the Board is prepared to consider limited price adjustments to meet losses which can be shown to exist in the production of significant lines of goods even when overall financial need cannot be established.

C. IMPORT PRICING

When the war came to an end, the Board was faced with very difficult problems in pricing imports. Higher price and cost levels in countries of origin had, of course, created problems during the war itself, though these were limited by the lack of civilian goods available for purchase. However, as other countries began to reconvert their industries and as their exporters and Canadian importers prepared to re-establish their normal business, the offering prices were often seriously out of line with Canadian ceilings. Since it was most desirable to re-establish a two-way flow of trade with overseas countries and since the increasing use of subsidies was out of the question, a change in import pricing methods was essential.

To some extent, the problem was met by permitting price adjustments on imported goods which had normally sold at lower prices than comparable goods made in Canada or imported from other countries. This technique, known as "levelling up", was applied to a number of items, which the United Kingdom was again able to supply, and which had formerly sold at lower prices than those prevailing for imported American products of similar or even less intrinsic worth. While such adjustments, combined with the acceptance of narrowed margins by Canadian importers and distributors, increased the range of consumer goods that could be imported under the price ceiling, their application was necessarily limited both in the extent of adjustment and in the classes of imports affected. A greater change in the method of pricing imports was necessary to permit the entry of a variety of goods which were beginning to be offered by such countries as the United Kingdom, France, and Belgium, where the war had resulted in pronounced increases in costs of production. A new procedure applicable to imports from a specified list of countries was therefore approved by the Government early in 1946. Under the new system prices were to be fixed, on application by importers, at levels covering the cost of the goods but providing for some reduction in the normal margins of importers and dealers. This changed procedure was limited to imports from the United Kingdom, the U.S.S.R., France, other allied countries in Europe, China,

India, Burma and Ceylon. The impact of the war on the economies of these countries had been severe and their price structures had increased to a point where many of their traditional exports could not be purchased by Canadian importers for sale at basic period prices.

D. SUBSIDY POLICY

As in previous years, the Board continued to review its various subsidy arrangements in order to ensure that such payments were limited to the minimum amounts required. In addition, however, all subsidies and bulk purchase arrangements were reconsidered in accordance with the change in the Government's subsidy policy which came as the war drew to a close. The emphasis was now on reducing and eliminating subsidies even at the cost of some moderate price increases. Thus, a large number of subsidies, both on imports and domestic goods, which could not be considered appropriate to the changed conditions of the transition period were removed and the sphere of subsidy payments began to narrow down to basic foods, certain farm supplies, textiles and fuel. Even in these fields, a beginning was made in subsidy reduction, including the removal of most subsidies on imported wool and a reduction in the major subsidies on imported cottons on March 1, 1946.

The end of active warfare reduced the need for certain import subsidies including some of those which had been very costly. Improved shipping conditions, the gradual elimination of war risk insurance and the opening up of more economical sources of supply all combined to reduce the need for import subsidies on a number of products. The most significant item affected was petroleum and during the year it became possible to eliminate completely subsidies on all petroleum imports into Canada, apart from those entering the Prairie Provinces.

Following a thorough analysis and reconsideration of the procedure concerning import subsidies, the policy was changed radically in January, 1946. Up until then, all imports had been considered eligible for subsidy consideration until specifically declared ineligible. While the ineligible list was large and growing and while many other items were only eligible for subsidy with the prior approval of the Commodity Prices Stabilization Corpora-

tion, it was decided that the time had come to reverse the procedure and to consider all goods ineligible for subsidy unless specifically declared eligible. A new statement on import subsidy policy was, therefore, issued. In general terms the revised statement left a substantial number of basic foodstuffs, clothing, and fuel eligible for subsidy consideration. But durable goods, household furniture, hardware, plumbing materials, drugs, and with some important exceptions a number of the supplies used by farmers, fishermen, and other individuals in the course of their personal trade or occupation were not included in the eligible list. On the goods which were excluded from subsidy by the new policy, price adjustments may be sought from the Board in the usual manner.

The gradual removal of subsidies involved some price increases both on domestic and imported goods. In working towards the re-establishment of a free price structure, it had to be recognized that some of the cost increases which had led to the payment of subsidies might be of a lasting character and when this appeared to be the case it was necessary to permit the gradual reflection of such changes in the price level. Particular care was taken to limit such price adjustments to no more than the amount necessary to offset the loss of subsidy and when subsidies were removed special action was frequently required to recover subsidies paid on goods in inventories or to delay the effective date of the price adjustment until the bulk of subsidized stocks had been sold.

E. PRICE DECONTROL

During 1945 it was not considered appropriate to embark on a program of suspending the application of price ceilings, such as that which was undertaken in the United States. It was indicated, however, that control would be suspended for a number of goods and services as soon as supply conditions were such that serious increases in their prices were unlikely. A thorough investigation was made to determine what goods might be suspended from price control in the reasonably near future.

Accordingly, on February 1, 1946, the Board suspended ceiling control of the prices of a considerable number of non-staple articles. The list of goods involved

included drugs, cosmetics, tobacco products, jewellery, books, games, novelties, millinery and a number of services. The supply of most of these articles was such that with competition and self restraint on the part of producers and distributors serious price increases were not anticipated. Most of the articles were of minor importance in the family budget, and in a number of cases it was questionable whether the trouble and expense of effective administration was commensurate with the benefit derived. The Board had difficulty in retaining sufficient trained personnel and it was desirable that it should concentrate its limited administrative capacities in fields where control was clearly needed.

It was emphasized that price ceilings had been *suspended* and not eliminated,

and might be reimposed if unreasonable price increases were to occur. Before taking this action, a sample survey of prices in the principal cities was made, covering a number of those items which were subsequently freed from price control and certain other commodities as well. Since suspension of control, the survey has been repeated twice and the results showed few price increases, except in the case of silverware, the prices of which rose in line with the current world prices for silver. In order to ensure uniformity in interpreting the definitions of goods suspended from price control a committee was established at the Board's headquarters to rule on all inquiries. Notices clarifying the definitions and listing specific goods as being included or excluded were published from time to time.

III. SUPPLY AND DISTRIBUTION

The total supply of goods and services available to consumers increased materially during 1945, but demands also increased further as the war came to an end and widespread shortages continued into 1946. Indeed, the shortages of some commodities were just as marked or even more pronounced than at any time during the war; the Board problems in such fields as foods and textiles were in some ways more difficult than during the war years. However, in the majority of cases (excepting some foods, a few clothing items and most metal consumer goods), the continued shortages reflected the high level of demand rather than any reduction in civilian supplies. The level of civilian consumption in 1945 was approximately 8 per cent higher than in 1944 and at least 20 per cent in excess of 1939.

While curtailment of war requirements released large quantities of materials and a growing number of workers for peacetime activities, the end of the war did not lead to any marked and sudden expansion in the supplies of most goods for the domestic market. Reconversion of war industries to peacetime production, which in the best of circumstances would have taken some time, was impeded by shortages of certain materials and parts. Of particular importance, reconversion difficulties in the United States restricted and delayed deliveries of materials and components upon which Canadian pro-

duction of many durable goods depended. Continued shortages of manpower in a number of civilian industries, such as building materials, fuels and textiles, retarded expansion in output. The urgent requirements of liberated countries further increased external demands for basic necessities, especially for food, and the combination of increased world demands and labour difficulties in the United States and Great Britain restricted imports of such important commodities as textiles, coal, and oils and fats.

A. CURTAILMENT OF WAR PRODUCTION

The outstanding development improving the outlook for civilian supplies was, of course, the reduction and cancellation of war contracts. However, the sharp contraction in war activity did not come until the latter part of 1945 and it was bound to be some time before the full effects of this fundamental change in economic conditions in expanding peacetime production would become apparent.

Until V-E Day, a high level of war production continued to restrict the supply of manpower, materials and productive facilities available for civilian purposes. It will be remembered that, as a result of the final German offensive late in 1944 some of the war programs which had been cut back in the fall of 1944, were stepped up again. As a consequence, the rate of decline in war production was slowed down until after V-E Day and

the reconversion of the metal industries did not make much progress until the closing months of the year.

Substantial cutbacks in war production programs became general following V-E Day except for naval shipbuilding and war materials needed for the Pacific war. Immediately after the acceptance of surrender terms by Japan on the 14th of August plans for the conversion of Canadian industry to a peacetime basis were pushed ahead rapidly. Further and substantial cutbacks in war production became operative, particularly in aircraft and shipbuilding, involving the completion of many programs by the late fall. By the end of 1945 the rate of war production in Canada had fallen to, perhaps, one-tenth of the level reached at the beginning of the year. Over the year as a whole, war production amounted to approximately 50 per cent of the quantities produced in 1944.

Important as it was, this curtailment in war production only gradually led to an expansion in civilian type of output as the supply of manpower was enlarged and as materials and equipment were diverted to peacetime use. Facilities used for production of ships, aircraft and ammunition, for example, could make no immediate contribution to the supply of consumer goods. Plants had to be changed over, sometimes productive capacity had to be enlarged, and supplies of civilian-type parts and materials had to be built up. Even in the case of the primary metal industries, the forms and weights of the products required were frequently different from those in demand for war uses. In the case of textiles as well, production for war contracts was often of a special type not only in its final form but sometimes in the fabrics utilized.

B. THE SUPPLY OF MANPOWER

The effect of the cancellation of war contracts and of demobilization on the supply of manpower available for civilian production did not become clearly apparent until the latter part of 1945. A considerable number of the persons released from war plants particularly married women, did not seek further employment or were not prepared to take alternative employment at prevailing rates. Moreover, in the summer and fall many others laid off from war work or demobilized from the armed forces took the occasion

for protracted holidays, and a large number of returned men resumed their education or took vocational training. Thus, the shortage of manpower was only gradually overcome and, while by the end of the year the civilian working force had increased very substantially, and indeed some unemployment had developed, shortages of labour in some industries and of some skills persisted into 1946.

The very gradual shift of workers from war to civilian work which had begun in 1944 was interrupted at the beginning of 1945 as a result of the stepping-up of some of the war programs and of recruiting for the armed services. Though the effects of this development on civilian production were partly offset by a record-breaking movement of farm workers into temporary winter jobs, the return of these workers to the land in the spring produced a most acute and widespread shortage of labour. The cutback of military programs after V-E Day brought some relief, but the manpower shortage remained serious in textile mills, packing houses, foundries, brick yards and in certain other plants making building materials. Farm help also remained scarce, and the transfer of a considerable number of farm workers was required to bring in the harvest in both Eastern and Western Canada.

The termination of many war programs after V-J Day and the commencement of large scale demobilization substantially increased the supply of manpower for the consumer-goods industries and the service trades. The number of unfilled jobs in many industries declined steadily and in many cases the shortage of labour was largely overcome. However, certain important industries, notably food processing, textiles and building materials, failed to attract sufficient additional workers and, at the end of 1945, the number still required in two of them (food processing and textiles) was higher than it had been a year earlier. Thus, some labour shortages continued into 1946, and the difficulty of obtaining skilled workers in such industries as foundries, textiles, and building construction limited the employment of larger numbers of unskilled workers.

Until the closing months of 1945 the shortage of manpower was perhaps the chief impediment to increased civilian production, operating directly or through

its effect on the supply of processed materials. During the year, the Prices Board co-operated with National Selective Service in directing manpower to those civilian industries which were entitled to priority assistance, notably textiles, food processing and building materials. At the same time, it was able to assist in the work of the Industrial Selection and Release Boards in facilitating the release of key personnel from the armed services after V-E Day.

C. WORLD SHORTAGES AND RECONVERSION DIFFICULTIES ABROAD

In assessing the reasons for the continued shortage of certain important groups of supplies in Canada, the key of the problem is to be found in the condition of world-wide scarcity caused by six years of war and destruction, and not in purely Canadian circumstances. The end of the war brought an urgent and large demand for supplies of basic foods, clothing and reconstruction materials from the liberated areas. In most parts of Europe and the Far East the devastation of war has reduced the capacity of these areas to produce enough to meet their basic needs and has thrust millions of people down to a level where starvation and misery are widespread. At the same time world stock-piles of certain raw materials had been reduced to dangerously low levels (e.g., sugar, rubber, tin and even grain).

The economic plight to which the people of Europe were reduced under the German occupation was inevitably aggravated by the events preceding liberation. In many areas, industrial equipment and transport were destroyed or damaged, and agricultural land was mined and flooded. As a result of the destruction of transport great difficulty was experienced in re-establishing the normal processes of production and distribution. In the months following the final liberation, the shortage of food retarded the production of coal; the shortage of coal impeded the resumption of transportation, which in turn aggravated the shortage of food. Administrative machinery broke down and political instability following liberation added to the difficulty of re-establishing industrial production. Black markets and inflationary conditions became normal and operated still further to impede economic rehabilitation. The end of hostilities, therefore, increased the

demands made upon North America and other surplus producing areas to help feed and clothe the people of the liberated regions of the world and to aid in the reconstruction of their economies by sending needed quantities of seed, fertilizer, lumber, vehicles, rolling stock and machinery of all kinds. This condition of world-wide scarcity affected Canada both by increasing the demands upon Canadian production and by further restricting the supplies which Canada could obtain from other countries, as in the cases of textiles and sugar. It should also be added that industrial disputes and other reconversion difficulties, particularly in the United States, have seriously retarded the import of essential parts and materials without which a prompt expansion of production in many Canadian metal and machinery industries was impracticable.

The most serious world-wide shortage in 1945 and today is, of course, the shortage of food. As the war in Europe was drawing to a close, it became clear beyond all doubt that the food supplies of most European countries were below the level needed to maintain even minimum nutritional standards. In the spring of 1945 plans were therefore made through the Combined Food Board to allocate larger quantities from the United States and Canada, and to divert to Europe supplies from overseas countries (e.g., sugar, fats and oils from Central and South America and Africa) which had been destined, in part, for the North American continent. To provide immediate help to Europe, the United Kingdom in 1945 dipped still further into its own reserves of food.

To make matters worse, the world-wide scarcity of food was aggravated by poor European harvests in the fall of 1945, and by the serious deterioration in world wheat supplies resulting from below average harvests in some of the chief grain-growing countries such as Canada. Consequently, the rations of bread, sugar, meats, fats and dairy products in most European countries had to be reduced in the months following final liberation in the summer of 1945; and in some areas the situation has continued to deteriorate ever since.

D. CONTINUING SHORTAGES IN CANADA

The food situation in Canada should be viewed against this background. This country has been called upon to exert

greater efforts to export a maximum volume of food products and at the same time, has had to accept a reduction in its imports of certain foodstuffs such as sugar, oils and fats, and rice. The difficulty of sustaining a peak level of exports was further complicated by a serious decline in hog production and by the disappointing grain crops harvested in 1945.

The obligations assumed by Canada in the world food crisis therefore necessitated some restriction in the domestic consumption of certain foodstuffs. In the case of meat it became necessary to re-introduce rationing in September. At the same time, the continued increase in the domestic consumption of fluid milk and the fulfilment of export commitments for cheese reduced the supply of milk available for butter production and led to a curtailment in the butter ration. Certain reductions in sugar consumption were also necessary during the year. Despite these restrictions, however, the total consumption of food in Canada has remained close to its peak level and has been fully adequate to meet all nutritional requirements.

The continuing shortage of textiles results from a combination of influences, including the world shortages, the domestic shortages of labour, and the high domestic demand which was further increased by demobilization. Procurement of needed fabrics and yarns from the United States and Great Britain was unusually difficult in 1945 and has continued so into 1946. Both those countries were faced with heavy relief and export requirements, and with serious difficulties in obtaining sufficient labour to expand production. In the United States, the domestic demand was mounting to extraordinary levels and, while the United Kingdom maintained strict rationing, the long continuance of the severe ration had led to a great accumulation of domestic needs. As pointed out earlier, the shortage of labour restricted textile output in Canada and production of a number of garments was limited by shortages of domestic and imported fabrics and yarns. At the same time demand increased further and, for men's wear in particular, was much augmented by the need of demobilized service personnel. Thus, despite the measures

taken to sustain and increase output of the more important items of clothing, supplies of a number of garments and of some household textiles have not been adequate to meet the full demand, and in many ways supply problems have been more difficult to deal with than during the war itself.

Another group of commodities characterized by marked shortages was building materials and supplies. The genesis of this problem is to be found in the long accumulated requirements for housing accommodation and for other construction. During the depression, construction had been far below a normal level and Canada entered the war with a large backlog of housing requirements. While a considerable number of dwellings were built during the war, the rate of construction was strictly limited by war requirements and when V-E Day arrived the accumulated demand was out of all proportion to the immediate supplies of trained workers and productive facilities in the construction and building materials industries. Thus, though the number of dwellings built in 1945 was much in excess of the previous year and higher than in any year since the late 'twenties, the housing program was restricted by the shortage of manpower and productive facilities in the industries making bricks, castings, soil pipe, bathtubs, furnaces, flooring and the like. Even lumber supplies were scarcely adequate. It should be added that, in addition to the shortage of skilled personnel, unskilled heavy labour is very much in demand in these industries, and until quite recently many of these workers were either in the armed forces or in war industries.

As was to be expected, the supply of metal goods was the first to respond to the easing of war requirements in the middle of 1945, but the early improvement was mainly confined to the smaller and simpler types of product. Formal restrictions on the manufacture of various household appliances and other metal goods were removed in the latter half of 1944 or early in 1945. However, the shortage of sheet steel, malleable castings, tin, brass and copper tubing, as well as imported components held back the production of household appliances and automobiles and retarded expansion of farm implement

output. These difficulties continued into 1946 and were accentuated by the restriction of essential imports from the United States as a result of industrial disputes and other reconversion difficulties in that country. While considerable progress was made in preparing for and beginning large-scale production, the great consumer demands for such products had scarcely begun to be met.

E. MEASURES TO SUSTAIN AND INCREASE SUPPLIES

The activities of the Board in supply matters have been designed to relieve the more urgent shortages by facilitating additional production and to clear the ground for the resumption of production by revoking the remaining restrictive regulations as promptly as feasible. In the late spring of 1945, in anticipation of a developing shortage of textiles, the system of production directives which had been introduced in 1943 and 1944 was extended to practically all essential garments. This program (described in detail on pages 29-30) involved a greater degree of control over the production and distribution of fabrics than heretofore. In effect, the program which came into operation in mid-1945 was designed to obtain the largest practicable production of needed garments by establishing production quotas and by ensuring that such directed production obtained prior claim on scarce materials. It involved special efforts to increase the supply of needed fabrics and to promote a greater production of low and medium price lines.

In the case of fabricated metal supplies and components (as with textiles), the Board continued to co-operate with the control agencies in Washington to procure the Canadian share of American output. In the first half of 1945 the Prices Board and the Wartime Industries Control board collaborated with Canadian manufacturers to ensure the production of minimum quantities of such items as washing machines, warm-air furnaces, and agricultural machinery. Most of these "production programs" terminated in May, when the formal orders restricting output of these items were revoked. Even after the abandonment in the summer of most of the formal production and distribution controls applicable to metal products, distribution of a few important semi-fabricated products continued to be

regulated informally by the Board in collaboration with the Department of Munitions and Supply. Thus the distribution of malleable castings needed for the manufacture of farm machinery was directed under a system of priorities; an informal system of priorities also regulated the distribution of copper and brass tubing, which were in very short supply in the plumbing and refrigeration industries.

F. REMOVAL OF RESTRICTIONS ON PRODUCTION

Beginning in the latter half of 1944 and continuing in 1945 the Board revoked the great majority of the existing restrictions on the production of metal, paper, and textile and leather products. These restrictions had curtailed or prohibited the use of raw materials in the production of less needed items, or had banned or restricted the production of the finished goods themselves. Other regulations had had the effect of simplifying and standardizing the production of various products, all designed to economize in the use of materials and labour and to reduce costs. With the reduction in war activity it became possible and desirable to remove such negative restrictions, clearing the way for businessmen to make their plans and to commence peacetime production within the limits of available supplies of materials and labour. By the end of the year only a few such orders, which continued to be necessary because of the shortage of materials involved, remained in effect.

The Board also co-operated in gradually removing emergency restrictions on external trade, though in this field a number of controls over exports had to be retained in order to protect essential domestic needs and to maintain effective price control. The Board did, however, recommend the removal of export control over a number of commodities which had become or were becoming available in adequate quantities, including many metal products, machinery and some paper products. During the year under review, the Board also worked closely with the Department of Trade and Commerce in establishing export allocations for commodities in short supply (e.g., lumber, textile products). Parallel with the removal of controls in the United States,

or the disappearance of scarcities, the existing import control regulations administered by the Department of National Revenue were re-examined and relaxed in part as a result of Board recommendations.

G. RELAXATION OF DISTRIBUTION CONTROLS

The basic policy of equitable distribution, which governs the pattern of distribution of all those businesses not affected by more direct controls, continued to work fairly satisfactorily in 1945, facilitating a fair distribution of available goods and materials to the numerous individual plants, distributors and stores serving the Canadian public. Under this policy manufacturers and wholesalers who were unable to meet the full requirements of their trade customers were required to allocate supplies to existing customers in proportion to their sales to these same customers in 1941. This policy was designed to minimize the dislocation of business under wartime conditions of scarcity. In a sense the arrangement has been, and still is, self-liquidating in that it becomes inoperative as soon as supplies become adequate to meet all reasonable demands.

However, with the end of the war and the desirability of facilitating the establishment of new businesses and expansion of existing enterprises it was necessary to relax the equitable distribution policy to some extent. In many industries and trades continued shortages made it difficult for new entrants into business, who were frequently veterans, to obtain supplies particularly since the equitable distribution policy gave existing businesses a prior claim on all scarce supplies. In addition, it was clear that in a number of fields where production was being resumed, such as automobiles and electrical appliances, the pattern of distribution of 1941 was no longer appropriate.

With these considerations in mind, certain changes in the policy were made in September, 1945. The manufacturers of such goods as electrical appliances, automobiles, radios, and bicycles were excluded from the usual requirements of Board policy in re-establishing their retail selling outlets. Other specified goods still in short supply were only restricted as to the distribution of 80 per cent

(instead of 100 per cent) of their supplies, leaving 20 per cent available for new entrants into business, or for the expansion of established accounts. The articles concerned included clothing and footwear, household linens, luggage, furniture, cutlery, household utensils and other items. Later in the year these modifications were extended to additional categories of goods, with the result that few goods, apart from certain basic foods, now remain in the category requiring complete (100 per cent) distribution to established accounts on a 1941 basis.

H. ASSISTANCE TO DEMOBILIZED SERVICEMEN

One of the principal reasons for these changes in distribution policy was to assist those demobilized servicemen who were seeking to establish themselves in business by giving them a chance to obtain goods which were still in short supply. While a returning serviceman is not given any formal preference over other new entrants in obtaining needed supplies of scarce materials, unless he is actually going back into a business which he owned and operated immediately before his enlistment, nevertheless special efforts are made by Board administrators and other officials to consider any veteran's case and to acquaint him with the conditions and problems involved in commencing business in the existing circumstances of shortage. The licensing of new businesses was also made simpler and quicker, partly by the decentralization of Board activities in this respect. Licenses for new entrants are freely granted in all fields, except where a quota of industrial sugar is required. In such a case, a permit could only be issued to a veteran who was intending to re-establish a business which he operated prior to enlistment.

Regional and Local Offices of the Board are instructed that demobilized service personnel are to be given special attention in their dealings with the Board and when their enquiries relate to matters outside the jurisdiction of the Board, the Board's officers attempt to assist the veteran in finding the information required and in directing him to the proper authorities. A special officer at the Board's headquarters is assigned to deal with particular problems affecting

veterans and to co-ordinate the Board's activities in dealing with the problems of the veterans. The Board has collaborated with other agencies concerned with the re-establishment of servicemen in making available information and advice concerning the regulations in force in respect to price and supply controls and in advising veterans concerning possible sources of supplies.

Special measures to enable demobilized servicemen to obtain priority in purchasing a suit of clothes were also introduced (see page 31). While no formal priority was given with respect to the purchase of overcoats, shirts and other items of clothing, retailers generally responded to the Board's request to give special treatment to veterans. Special consideration has also been given to the problems of veterans in other fields, as, for example, in obtaining occupancy of housing accommodation owned by the veteran or an immediate member of his family (see page 49).

I. RATIONING

While it was possible to remove certain types of rationing, such as that of farm machinery and small arms ammunition, the world food shortage necessitated the extension and tightening of food rationing. The most important development was the reimposition of meat rationing in September, designed to stop the increase and bring about a moderate decline in the domestic consumption of meat so as to make more available for export to Britain and liberated countries. As a consequence of decreased allocations of sugar to Canada by the Combined Food Board, reflecting a growing shortage of world sugar supplies, two reductions in the consumer sugar ration, with corresponding reductions in commercial usage, were instituted in 1945. The butter ration had also to be reduced at the beginning of 1946, and further reduced in March and April. Details respecting the reimposition of meat rationing and the changes in butter and sugar rationing are given in Chapter IV (Foods).

The annual preserves ration was reduced in 1945 from 26 coupons to 24 coupons. The arrangement whereby consumers were given twenty extra preserves coupons with a sugar alternative value of one-half pound per coupon was contin-

ued as the fairest method of providing sugar for home canning. Arrangements were completed towards the end of the year for combining the preserves and sugar rationing plan, and became effective on January 1, 1946. This plan is expected to give the consumer greater freedom of choice as between sugar and preserves, to simplify this form of rationing and to reduce the number of coupons handled by the trade.

J. THE LEVEL OF CIVILIAN CONSUMPTION

The foregoing review has necessarily emphasized the continuance of shortages of consumer goods in 1945 and into 1946. Shortages remain widespread and constitute an urgent threat of inflation. It should be remembered, however, that they reflect the high level of demand rather than any general curtailment in civilian supplies. To review the position in proper perspective, it should be noted that the level of civilian consumption of goods and services in 1945 was considerably higher than in 1944, and very substantially higher than prior to the war. The volume of retail sales of goods in 1945 was about 8 per cent higher than in the previous year, which in turn was somewhat higher than the 1943 level. As might be expected, the largest increase in sales in 1945 occurred in stores selling durable goods. Thus, the sales of stores selling hardware were up 19 per cent over the 1944 level, those selling electrical appliances and furniture were up 10 per cent, jewellery store sales increased by 14 per cent, and farm machinery sales rose by 29 per cent. In the field of non-durable goods, sales of clothing and footwear stores combined rose by nearly ten per cent. Increases in sales of men's clothing stores became progressively larger following the end of hostilities in Europe. The September and October sales were 20 per cent above the same level a year earlier. Sales of food stores in 1945 were up nearly 5 per cent and those of drug stores were up 6 per cent. In almost every store group, the volume of sales increased during 1945.

Estimates of the changes which occurred in the level of civilian consumption over the war period as a whole were made in 1945 by a Special Combined Committee set up by the Combined Pro-

duction and Resources Board.* The estimates made therein relate to the physical volume of goods and services passing into the hands of civilian consumers, and indicate that total per capita consumption in Canada during 1944 was about 16 per cent higher than in 1939. The big increase in the level of consumption took place in the first two or three years of the war when, owing to the great expansion of production generally, Canada was able to turn out more munitions and war supplies and still produce more civilian-type goods and services. In succeeding years the expansion of war production was not accompanied by any marked *general* increase in production for the civilian economy, but the gains of the period 1939-42 were fairly well held, with the important exception of such items as automobiles, electrical appliances, gasoline, silk goods, rubber and some other obvious war casualties. The following table indicates the percentage

* The Impact of the War on Civilian Consumption in the United Kingdom, the United States and Canada: A Report to the C. P. R. B. September, 1945. U.S. Government Printing Office, Washington, D.C.

increases in average consumer purchases over the period 1939-44 for the principal broad groups of expenditures, all measured in physical quantities, or in values at constant prices:

	Per cent
Food	13
Alcoholic Beverages & Tobacco	24
Clothing and Footwear	22
Fuel & Electricity	28
Household Goods (Mainly Electrical & Metal Prod- ucts)	—13 (Decrease)
Other Household Goods	15
Reading Matter	22
Amusements	53
Motor Vehicles & Their Operation	—52 (Decrease)
Public Transportation	95
Miscellaneous Services	11
Total Consumption	16

Although comparable statistics for 1945 are not available, it is clear from the behaviour of retail sales that total consumption in 1945 would show a considerably greater increase over the pre-war level, amounting to more than 20 per cent.

IV. FOODS

The world shortage of foodstuffs further increased the calls on Canadian supplies during 1945. As one of the major producers and exporters of food, Canada accepted and carried out her responsibilities in the world crisis, maintaining a high level of shipments to the United Kingdom and providing large shipments for the relief of the hungry people of liberated Europe. Canadian agricultural production, however, was not maintained at the very high volume of the previous year. Crops of grains, vegetables and fruits were substantially lower and hog production decreased sharply. As a result of these developments and of the shortages of such imported foodstuffs as sugar and vegetable oils, food supplies available in Canada steadily became less plentiful. Thus, in face of the urgent external needs and of the limited supplies, meat rationing was reimposed, it became necessary to cut the sugar ration, and as time went on the butter ration had also to be reduced. At the same time, the developing stringency

maintained and in some cases accentuated the pressure on the ceiling price structure for foods.

While there was no general relaxation of distribution controls—indeed the reverse was true—in November certain adjustments were made in the policy of equitable distribution in line with changed postwar conditions (*see* chapter III, page 17). In order to give new entrants into business, and particularly servicemen, more opportunity to obtain goods, suppliers of a number of foodstuffs were permitted to distribute up to 20 per cent of their current supplies in whatever manner they saw fit. This change necessitated certain adjustments in the method of limiting wholesalers' margin.

With few exceptions, ceiling prices for foods remained in 1945 at the same level as in 1944. To secure better distribution, some price adjustments were made between different parts of the country, as in the case of butter and apples. In addition, there was a further extension of the system of setting standard maximum

prices in the interests of simplifying the regulations and improving enforcement. Finally, in accordance with government policy, food subsidies were continuously reviewed with a view towards their reduction and elimination at the earliest feasible time. Certain comparatively minor subsidies were removed and the subsidy applicable to a wide range of grocery items was discontinued in September. This subsidy had been paid to offset the squeeze resulting from the "roll-back" of manufacturers' prices to the June, 1941, level. No general price increases were permitted in place of the subsidy, but individual manufacturers were free to apply for relief under normal Board procedure.

A. MEATS

Meat Rationing

The re-imposition of meat rationing was the direct result of the urgent requirements of the United Kingdom and liberated Europe. Canada entered 1945 already committed to supply large quantities of meat to the United Kingdom and the United Nations Relief and Rehabilitation Administration. At the same time, she was facing a declining trend in hog production which was gathering momentum and which, despite the high level of beef output, pointed to a decrease in the total production of meat. At the beginning of 1945, this decline had reached a point where the Canadian Meat Board found it necessary to requisition all Grade-A hogs and a considerable part of Grade B1 hogs slaughtered by inspected abattoirs, in order to meet Canada's bacon agreement with the British Ministry of Food.

As the year advanced, new developments intensified the already acute shortage of meat in the United Kingdom and Europe. In March, the War Foods Administration in the United States reduced its Lend-Lease allocation of meat for the second quarter of 1945 by 87 per cent owing to the decline in hog output and to heavy requirements for the United States Armed Forces. In April, representatives of the United Kingdom, the United States and Canada, meeting in Washington to discuss world food supplies, again emphasized the urgent nature of the requirements of deficiency areas (e.g. the United Kingdom and liberated areas of Europe).

In order to meet these requirements, it was agreed that civilian consumption of meat in the United States and Canada should be considerably reduced, and the United Kingdom, whose level of consumption was already substantially lower than that of North America, also agreed to a further material cut. Despite her own production problems, Canada accordingly undertook to increase her exports of beef to the United Kingdom by at least 12½ per cent over the amount previously arranged for and to supply large additional quantities of canned meat for the liberated areas. Early in May, therefore, stocks of canned meat in the hands of packers and dealers were frozen and all further canning of meats and meat products by inspected packers was to be for export. (When meat rationing was reimposed in September this freeze order was revoked. Altogether, over 90 per cent of the 1945 canned meat pack was sent overseas.)

In May and June, these increased export commitments combined with reduced slaughterings, led to the development of shortages of all types of meat in the domestic market. The demand for fresh meat was intensified by diversion of canned meat for export, by the drain on poultry supplies to fulfil an export contract with the United States army, and by the continuing limitations on domestic supplies of canned fish. Prices for live stock during May and June began to rise to levels out of proper relation to carcass ceiling prices and as a result supplies were increasingly diverted from large inspected abattoirs to small slaughterers and local butchers. Indications of black market activities were multiplying and less meat was becoming available for export.

Particular measures short of rationing designed to improve domestic supplies and distribution without seriously reducing exports, proved quite inadequate. Early in June, the Meat Board was instructed to divert some beef from the account of the United Kingdom for distribution in centres where shortages were creating serious problems, and in the same month the Meat Board reduced the quantity of hogs requisitioned for export. By early in July all exports of meat, including poultry, to the United States had been prohibited. Nevertheless, the domestic supply continued to deteriorate. Slaughter-

erings of hogs declined, shortages spread, illegal practices increased and it became apparent that overseas shipments could not be maintained unless rationing and control of slaughterings were undertaken.

At the beginning of July, therefore, the Government announced a program of slaughtering control and meat rationing. In many respects the ration was to be similar to that in effect from May, 1943, to March, 1944, but because it was to cover almost the entire field of meat and meat products it was, in fact, somewhat more restrictive than the previous ration. As a first step, slaughtering of all live stock was placed under permit on the 9th day of July and slaughtering quotas were fixed by the Board. Consumer rationing could not be introduced immediately owing to the time necessary to prepare administrative machinery. In the interim, two meatless days per week in restaurants were announced and an appeal made for voluntary reduction in the amount of meat consumed at home.

Rationing was re-introduced on September 10, 1945. As a new procedure designed to reduce waste and for the convenience of the consumer, tokens were issued to provide "change" for sales which involved fractions of coupons. Soon after rationing began, it became evident that sales of fancy meats had decreased and in some cases spoilage of stocks on hand became a real danger. These meats were, therefore, removed from the ration. Inspected packers were instructed, however, to maintain the equitable distribution of fancy meats between different classes of customers. After several weeks' experience with the ration, it was also necessary to make a few adjustments in coupon values in order to obtain a more accurate relationship between coupon values and the demand for various types and cuts of meat.

Owing to the record marketings of cattle during the fall of 1945, slaughtering quotas were suspended on the 10th of September, with the exception of hog quotas where the previous system was continued. Slaughterers were, however, still required to hold permits, to stamp all carcasses, and to make monthly reports of their operations.

Pricing Developments

Over the year, the ceiling price structure for carcass meat remained unchanged, except for an extension of the period during which spring lamb could be sold at a premium price. When the export of sheep and lambs to the United States was prohibited early in July to conserve meat supplies, the period in which the higher ceiling price for spring lamb applied was extended up to August 31, instead of to July 15. This enabled slaughterers to pay a higher price for these animals and thus to compensate farmers to some degree for the loss of the more attractive prices prevailing across the border.

In September, standard maximum wholesale prices and retail mark-ups were established for barrelled beef and pork, essential for use in lumber camps, ships' stores, etc. These products had previously been held to individual basic period ceilings while fresh beef and pork prices had been standardized, on the average a few cents above basic period levels. In an effort to encourage production of the barrelled meat, the output of which was falling as a result of this differential and of the increased cost of barrels, standard prices were established in line with the fresh carcass ceilings.

The only other major pricing development during the year was an increase of one cent per pound, in mid-September, in the maximum wholesale prices of sausage, bologna and weiners. In the spring of 1945, when heavy supplies of the cheaper cuts of meat were being diverted to the canned meat program for United Nations Relief and Rehabilitation Administration, processors often found it necessary to buy more expensive cuts. Many of the processors were able to demonstrate financial need and the permitted increase in ceiling prices was intended to meet their difficulties.

B. POULTRY AND EGGS

The decreasing supply of other fresh and canned meat further increased the domestic demand for poultry. Thus, though poultry production in 1945 was sustained at the high level of the previous year, prices held closer to their ceilings than was the case in 1944. There was no change in the ceiling price structure for poultry, except for the extension of the high poultry ceiling prices of the

June deficiency period to the end of July. This was done in the interests of sustaining egg production. The late spring had prolonged the laying period and in order to delay the slaughter of laying hens it was desirable to extend the seasonally high ceiling prices for poultry for an additional month.

The growing shortage of meat supplies also enlarged the domestic demand for eggs while at the same time export shipments of dried and shell eggs were even larger than in the previous year. The ceiling price structure for eggs remained identical with that of 1944, though the floor price was raised temporarily between September 15 and December 15, 1945 through a revision in the British export contract price. The unprecedented demand which developed during the latter half of the year carried prices to ceiling levels considerably earlier than usual.

C. FISH AND FISH PRODUCTS

Production of fish continued at a satisfactory level during 1945, but here again the increasing stringency of meat supplies added further to the domestic demand. The pressure of demand from this source was reinforced by requirements for relief and for export with the result that prices were generally tight against ceilings. The overall price structure for fish was similar to that in effect in 1944 with a few exceptions. Lake Winnipeg goldeye and finnan cod were placed under ceilings for the first time in 1945, when their prices threatened to rise unreasonably. There was also a further consolidation of existing fish price orders during the year. Orders dealing with Atlantic canned fish and canned shellfish were consolidated and were revised to take account of the various new grades established under the altered grading regulations of the Department of Fisheries.

Disposition of the Canadian canned salmon pack remained under strict control of the Department of Fisheries. While the major part of the 1944 pack was sold to the United Kingdom, a quantity was released to the domestic market and, to enable sales to be made at ceiling prices, a subsidy was paid to canners. A somewhat larger quantity of canned salmon has been made available to the domestic market from the 1945 pack and

payment of subsidy is again required. The subsidy on both packs is subject to the principle of limitation in the light of the recipient's profits position at the end of the year.

D. DAIRY PRODUCTS

Dairy products continued to present difficult problems of distribution during 1945. Even though the total milk flow during early spring and summer was above that of 1944, production for the whole of 1945 was only about equal to that of the previous year as a result of the adverse weather conditions of the fall. Demand for milk for all uses continued heavy and, in the circumstances of limited supply, sufficient milk was not available to meet the demand for all milk products, and particularly for butter. In accordance with the government's policy, a price and subsidy structure was maintained by the Board and the Department of Agriculture which placed strong emphasis on meeting the expanding demand for fluid milk and the commitments for cheese shipments to the United Kingdom. Sufficient production of concentrated milk products for essential civilian use and for the commitments to the United Kingdom and to UNRRA was also forthcoming, but output of butter was slightly lower than in 1944.

Close control over sales of fluid cream and ice cream was continued while processed, as distinct from cheddar, cheese production remained limited to the level of 1943. The ration system for evaporated milk, introduced in October, 1943, was maintained throughout the more densely populated areas of Quebec and Ontario. It was removed at the beginning of 1945 in the Prairie Provinces and British Columbia, though shipments to these provinces were placed under quota control.

Despite these controls over other dairy products, the rationing of butter had to be continued during 1945. The ration amounted to 7 ounces per person per week for most of the year, but with the seasonal decline in butter production during the winter months, it was necessary to reduce the ration to approximately 6 ounces per week at the beginning of 1946. In view of the sharp decline in butter production—it was 16 per cent

lower in December, January and February than in the corresponding months a year earlier—and of the rapid depletion of stocks, a further temporary cut to 4 ounces per week during March and April of 1946 was announced in February.

The major pricing development among dairy products during 1945 was the revision of the butter price structure in May. Manufacturers' ceiling prices for butter were adjusted to provide provincial differentials more closely in line with transportation costs. Standard wholesale ceilings were established in line with manufacturers' prices and retailers' mark-ups were controlled. These measures were taken to facilitate better distribution of butter and they had the effect of raising retail ceiling prices about one cent per pound. Though they did facilitate improved distribution, it was still necessary, late in 1945, to re-introduce the transportation subsidy paid in former seasons to facilitate movement of butter from the Prairies to areas of shortage in the East.

E. FLOUR AND BREAD

The subsidy program designed to maintain basic period prices of flour and bread was continued by the Government. The subsidy is paid on the basis of the difference between the Canadian Wheat Board's domestic selling price of wheat (\$1.25 per bushel for No. 1 Northern in store Fort William-Port Arthur) and a price appropriate to the ceiling price of flour (77½ cents per bushel). The formula for the limitation of subsidies in relation to excess profits continued to apply.

As a means of maintaining heavy shipments of wheat to the needy areas overseas, the Government announced in March, 1946, a program whereby wheat available for milling in Canada would be reduced 10 per cent on the basis of 1945 purchases, and for distilling purposes, by 50 per cent of the amount used in 1945. At the same time encouragement was given to farmers to market their holdings of wheat on farms immediately while dealers and the consuming public were encouraged to reduce their stocks of flour and other wheat products.

F. FRESH FRUITS AND VEGETABLES

Poor growing conditions in 1945 were responsible for exceptionally low yields of most varieties of fruits and vegetables and for crop failures in some. Supplies available to consumers and commercial canners were sharply reduced. Though the basic structure of ceiling prices was not much altered, these developments necessitated some price adjustments and in some cases required the extension of the higher prices permitted in the off season beyond the usual period, in order to permit the importation of supplies from the United States.

By the summer of 1944, most of the important home-produced fruits and vegetables had been brought under price control. Where year-round domestic ceilings applied, prices of imported fruits and vegetables were governed by them. In the case of some crops, however, domestic ceilings applied only during the usual marketing seasons and at other times of the year, imported varieties came in at prices based on United States prices plus transportation and limited maximum mark-ups. In a number of cases, the original domestic price ceilings were based on identical maximum prices for growers in all areas. Since this method produced a complicated retail price structure and since it was not always conducive to satisfactory distribution, it was largely altered during 1944 and 1945 to a system of establishing ceilings on the basis of prices in the major producing areas plus transportation costs. This system provided a simpler and more enforceable ceiling structure and facilitated better distribution.

The late growing season extended and aggravated the temporary shortage of potatoes which usually develops in the early summer, and the short crops which were ultimately harvested increased the dependence of many areas on United States supplies. Demand remained high and the increasing requirements for ships' stores and troop trains as service personnel were repatriated added substantially to the demand for Maritime stocks and, in June, made it necessary to place shipments of potatoes from the Maritime Provinces to Central Canada under permit control. To relieve local shortages elsewhere until the new crop

replenished supplies, subsidy arrangements were made, as in the previous year, for the transportation of potatoes from surplus to deficiency areas and for imports from the United States. In the case of imports, close co-operation with the War Foods Administration in the United States was continued and care was taken to see that imported supplies were made available only in those areas where genuine shortages prevailed and where other sources of supply were not adequate. It was also necessary to postpone the first seasonal reduction in producer prices for one week in view of the late appearance of the domestic crop. The crop turned out to be a small one with the result that supplies in some localities became short in the fall and in November arrangements again had to be made for the importation of potatoes from the United States under subsidy. Fortunately, the 1945 crop in that country was exceptionally large.

As in the case of potatoes, the supply of other vegetables was adversely affected by the late season and poor growing conditions. Shortages of cabbage and carrots developed in June and, in order to allow importers to obtain additional supplies from the United States during the period of deficiency, the wholesalers' markup was raised one cent per pound on imported cabbage sold between June 5 and June 30 and by the same amount on imported carrots sold between June 5 and July 15. Retail ceilings remained unchanged, the retail trade absorbing the increased cost. In addition, the regular reduction in ceilings on beets, cabbage, carrots, parsnips and turnips which was to have occurred on the 1st of July, was postponed two weeks in a further effort to facilitate the importation of produce from the United States until the local crops were ready for market. The below average harvests of a number of vegetables meant that imports were required sooner after the growing season and in much larger quantities than usual.

The 1945 fruit crops were very poor, apart from those in British Columbia, and like vegetables were slow in coming to market. The Ontario crops of pears and plums were virtual failures and that of peaches was 30 per cent lower than in the preceding year. In view of the marked decline of growers' returns from these fruits, the Board authorized an increase in ceiling prices for Ontario

peaches—there was little point in raising the domestic ceilings for pears and plums since so few were harvested. As a means of improving the supply of pears and plums, the period during which these fruits could be imported on the basis of United States ceilings was continued later than usual, and when domestic ceilings on pears did come into effect they remained in force only until the 31st of October instead of the usual date three months later.

In view of the small apple crops in Central and Eastern Canada, the ceilings on apples produced in these areas were raised and in order to supplement the supply, an increase in the ceiling for British Columbia McIntosh apples sold east of the Head of the Lakes was authorized. Except for a few adjustments designed to encourage better distribution, ceiling prices for strawberries and raspberries were substantially the same as in 1944. The late strawberry crop, however, necessitated a postponement of one week in the scheduled price reduction.

The method of controlling the prices of some of the 1945 fruit crops in Ontario was improved by setting a standard maximum markup between the growers' ceiling and the retail price regardless of the channels of distribution through which the fruit was marketed. In previous years, maximum prices for fruit had varied with the method of distribution, particularly in the Niagara district where a considerable amount of fruit is transported by truck. The orders governing the 1945 crops of cherries, peaches, pears, plums and grapes, therefore, established a "trucking zone" within which the combined markup of the shipper or trucker and the wholesaler was not to exceed the markups taken by a wholesaler buying directly from a grower.

Ceiling prices for oranges had been based on ceilings in the United States following the removal of the special import subsidy at the end of 1944. In November, 1945, however, United States' ceiling prices for citrus fruits were suspended and to prevent a substantial rise of orange prices in Canada, it was necessary to base Canadian ceilings on those prevailing in the United States just prior to the time when they were suspended. The reinstatement of citrus fruit ceilings in the United States in January, 1946,

permitted a return to the previous arrangement of basing Canadian ceilings on current United States ceilings, plus transportation and customary trade margins.

G. CANNED FRUITS AND VEGETABLES

Because of the poor crops, the pack of canned fruits and vegetables in 1945 was only about 60 per cent of the previous year's volume. In order to ensure that an appropriate part of the much diminished crops was canned, the subsidies paid during the previous season were continued. In the case of peaches, the tree fruit subsidy (payable through the canners to growers of fruits for processing) was increased in line with the increase permitted for peaches sold on the fresh fruit market. There was no significant change in the ceiling price structure for canned fruits and vegetables.

As in the previous year, it was necessary to require producers of canned fruits and tomato products to retain a certain percentage of their output for distribution to priority users. For other canned goods, notably peas, beans, and corn, the system of retaining sufficient supplies for priority users was simplified in view of the reduction of military requirements as the war came to an end. Instead of requiring companies to retain a specified percentage of their output in a common pool for distribution, certain companies turned over the required supplies to the procuring agencies.

In the fall of 1944, the Board arranged for a further purchase of canned grapefruit juice at an appreciable trading loss to supplement the supply of vitamin "C" in the Canadian diet. The amount delivered in 1945 (about 295,000 cases) was much smaller than in the previous year, in part owing to the short grapefruit crop in the United States. However, an additional quantity of vitamin "C" was made available in Canada through the large amount of canned tomatoes and tomato juice available from the 1944 domestic pack and through the processing, for domestic sale, of apple juice fortified with vitamin "C." Taking into account the smaller deliveries of grapefruit juice in 1945 and the substantial decline in the pack of tomatoes and tomato juice, the Board has authorized the Commodity

Prices Stabilization Corporation to arrange for procurement of 700,000 cases of grapefruit juice in 1946.

H. SUGAR

Distribution of world sugar supplies continued under international allocation during 1945. While world production of sugar remained restricted over the year, the already heavy demand was further intensified by the needs of liberated areas. As a result, the Combined Food Board found it necessary to reduce the amounts of sugar allocated to relatively better situated countries, of which Canada was one. The smaller Canadian supply involved reductions in the rations available to consumers and industrial and quota users twice during the year. The effect of the two changes was a reduction in the consumer ration from 26 pounds per capita in 1944 to 19 pounds per capita in 1945. Reductions were also made in the number of preserves coupons becoming valid, thus decreasing the potential use of these coupons for sugar purchases.

Industrial and quota users were also faced with severe reductions in their allocations of sugar. The reduction in the amount of sugar available created serious problems for manufacturers using sugar, notably bakers and producers of soft drinks and confectionery items. Manufacturers of soft drinks, who, after the second cut in sugar quotas in July, were reduced to 50 per cent of their 1941 usage, were permitted to increase their prices by 10 cents per case. Retailers were required to absorb the increased cost in view of the greater dollar and cents retail margins which they had been able to obtain since the imposition of the 25 per cent excise tax in 1941, and in view of the generally high volume of retail business.

I. OILS AND FATS

Supplies of animal and vegetable oils and fats in Canada during 1945 were diminished as a result of the world-wide shortage. The Combined Food Board continued its work in controlling the distribution of supplies as between countries and reductions in consumption in the United States, the United Kingdom and Canada were agreed upon at the tripartite Washington conference in April, 1945, in an effort to help in meeting the urgent

needs of liberated areas. For Canada, this involved a material reduction in her imports of animal fats and vegetable oils at the same time that domestic production of lard was falling off with the decline in hog slaughterings. This curtailed supply was reflected in reduced production of shortening and made it necessary to maintain quota controls over distribution of oils and fats in Canada. It also reduced the supply of materials for making soap and, to maintain essential supplies of bar soap for consumers, it was necessary to limit the use of oils and fats in the manufacture of the more expensive packaged soaps.

Since delivery of oils and fats to Canada fell seriously short of the allocations through the Combined Food Board, arrangements were made at the end of the year to make up part of the deficiency by three emergency bulk purchases. Negotiations were entered into with the United States for the purchase of five million pounds of lard, an equal amount of shortening and a thousand tons of soya bean oil for delivery early in 1946. Trading losses were involved in these purchases.

J. OTHER FOODSTUFFS

During the summer of 1945, a critical shortage of dry corn developed. Because

of the late spring and the poor growing weather for the feed crops, farm marketings of corn were smaller than anticipated. As in the previous year, it was necessary to control the disposition of corn stocks by processors and elevators in Ontario and Quebec. In order to provide for essential supplies of domestic starch, corn syrup, and industrial starch for the textile program, the Board had to divert stocks of corn from distillers to these more essential uses. While the control over corn stocks was removed in September when supplies from the 1944 crop had been used up, the 1945 crop was a poor one and a considerable part of Canadian requirements can only be met by imports on which substantial subsidies are necessary.

The supply of rice available to Canada was some 46 per cent below normal usage during the year. There is an acute world shortage of this grain and the Combined Food Board continued its difficult task of allocating supplies as between countries. In view of the limited Canadian supply, priority continued to be given to the needs of the population of Oriental extraction. The import subsidy on rice was renewed for 1945 and was payable on a maximum import of 20,000 tons, though considerably less was, in fact, obtained.

V. FARM EQUIPMENT AND SUPPLIES

The demands for farm machinery, feeds and other agricultural supplies remained very large in 1945 and generally exceeded, in some cases by a wide margin, the available supplies. Production of farm implements increased during the year though of course not enough to satisfy the accumulated demand. Output of processed feeds also increased and the hay crop was larger than in 1944. But the coarse grain crops were considerably lower and necessitated careful allocation of the supply. Ceiling prices for feeds, farm equipment, and other supplies were in most cases the same as in 1944 though towards the end of 1945 some relatively small increases were authorized for imported farm machinery. As in earlier years, considerable subsidy payments and trading losses were involved in maintaining price ceilings for binder twine and fertilizers. At the same time, the whole

structure of feed prices remained dependent upon the very important outlays through the Department of Agriculture on barley and oats equalization payments, on feed wheat subsidies and on feed grain transportation.

While the major subsidies on farmers' supplies were continued during the year, all subsidies were frequently reviewed in the light of the Government's policy of reducing and eliminating subsidy payments at the earliest feasible time. The new import subsidy policy introduced in January, 1946, which narrowed the field in which import subsidies could be paid, had the effect of making a number of farmers' supplies ineligible for subsidy, though such important items as certain fertilizer materials and pesticides, binder-twine materials, feeds, and seeds remained eligible.

A. FARM MACHINERY

In 1945 the need for farm machinery in Canada remained extremely large and demand very heavy. The calls on Canadian agriculture to maintain the highest possible level of output were increased even further by the enormous food requirements of liberated areas. The need for farm equipment was further enhanced by the continued shortage of farm help and by the accumulation of demand resulting from the restricted output of machinery during the war following upon the restricted purchases in the depressed period of the 'thirties.

The specific production quotas which limited output in the 1944-45 season were removed for the 1945-46 season by an order issued in May, 1945. However, the larger manufacturers were still required to submit their production schedules to the Administrator for approval. Importers were allowed to bring in any supplies they could obtain from the United States, where a similar control was exercised over the larger manufacturers. The remaining control over production was eliminated after V-J Day in both countries, but this action did not have any pronounced or rapid effect on production owing to the scarcity of such important materials and component parts as sheet steel and malleable and grey iron castings. Nevertheless, it is hoped that Canadian production of farm machinery in 1945-46 will be approximately 25 per cent greater than during the preceding season. Production of some implements will be up more than others—ploughs and cultivators for example—and output of a few will be lower than in the preceding season.

When production controls were fully removed, the possibility of dispensing with the rationing of farm machinery was thoroughly considered. But the immediate demand was still much in excess of the supply and rationing was kept in force during the harvesting season. It was finally discontinued on the 1st of October, when the seasonal demand had fallen off and when there was good reason to expect that supplies would be larger next season.

Large quantities of farm equipment—about 20,000 tons—were produced for the United Nations Relief and Rehabilitation Administration in 1944-45 and plans were

made for a small production in 1945-46. Some 15,000 tons of the 1944-45 supply was also set aside for distribution under the Veterans' Land Act but only half of this was taken up and the rest was released for more general sale. Provision for another 15,000 tons for distribution under the Veterans' Land Act was made by manufacturers in the 1945-46 season.

In June, 1944, the War Exchange Tax and customs duties on imports of farm machinery and parts from the United States were removed and importers were required to reduce their prices by an equivalent amount (except in the case of parts imported for further manufacture). During 1945 a number of increases were authorized by the United States Office of Price Administration in the prices of farm machinery and parts. While these increases were not marked, in a number of instances importers could not reasonably absorb the higher cost and it was necessary to permit some advances in ceiling prices. None of the adjustments was large and the retail prices of imported machinery in most cases remained lower than those prevailing before the War Exchange Tax and custom duties were removed.

B. FEEDS

The crops of feed grains were notably lower in 1945 than in 1944. The oat crop was down 24 per cent and barley 20 per cent, and almost all of the decline was concentrated in the Prairie Provinces. Though the hog population was decreasing, the cattle and poultry populations were well maintained and the demand for feed grains was much in excess of the current production. Even by using up the carry-over and by drastically curtailing exports, the supplies of feed grains are barely sufficient to last until the next crop. Moreover, the poor crops in the Prairies resulted in acute local shortages which necessitated the prohibition of shipments to the East from certain areas in Alberta and Saskatchewan until the end of November and the establishment of feed-banks in the worst-hit districts.

Hay production was heavy in Eastern Canada in 1945, but there were shortages of this important fodder in the Prairie Provinces and British Columbia. Output of mill feeds, a major by-product of flour milling, was somewhat larger

than in 1944 as flour production rose to record levels. Domestic requirements, however, have been extremely large and as a consequence exports have been further reduced. The demand for high protein feeds has also been very heavy though the protein meal by-products from the crushing of peanuts, copra, and palm kernels, which were bulk purchased as part of the oils and fats programs, have helped to sustain the supply.

Apart from a few such special purchases, the main function of the War-time Prices and Trade Board in relation to feeds is the maintenance of price ceilings. Most feeds sold during the year at, or slightly below, their ceilings. While the ceiling price to buyers of barley remained the same, there was an increase in the advance equalization payment on barley to the producers. This payment, made through the Canadian Wheat Board, was increased from 15 to 20 cents a bushel in October when the export of barley was prohibited and farmers could no longer obtain the five cent premium on exports to the malting trade in the United States.

C. OTHER FARM SUPPLIES

Supplies of fertilizers were still not sufficient to meet all demands, but prices did not change from their 1944 levels partly because of the continuance of subsidies and bulk purchase arrangements. No major price problems arose during the year in connection with pesticides. Maximum prices were set for new products such as D.D.T. An acute shortage of nicotine sulphate, a fruit tree spray, led to the imposition of distribution controls in the early part of the year and an emergency bulk purchase was made. The restrictions were removed in September.

The maintenance of ceiling prices on bindertwine continued to involve heavy import subsidies on Mexican sisal and, indirectly, even more costly bulk purchases of American hemp which was for some time used in rope in order to release for bindertwine some of the African sisal which it replaced. By October, African sisal supplies improved to the point where it was possible to discontinue the costly purchases of the American product. Canada's requirements of African sisal for the first half of 1946 are being bulk purchased from the British Ministry of Supply.

VI. TEXTILES

Though the end of the war brought the time nearer when world supplies of textiles would be adequate, there was little improvement during 1945. Indeed, in the early months of the year, war requirements increased at the same time that the relief needs of liberated areas were accelerating the drain on available supplies. Output of textiles in the major producing countries continued to be restricted by deterioration in the supply and efficiency of labour and, in Continental Europe, also by disorganized transport and shortage of fuel and machinery. While the end of the war brought prompt curtailment in the heavy military demand, relief needs remained very large and production throughout the world was slow to increase.

As a claimant nation, dependent on imports from the United States and the United Kingdom for a substantial production of her needs, Canada experienced

with growing force the effects of the world shortage of textiles. Throughout 1944, procurement from these countries had become increasingly difficult and in the latter part of that year imports decreased substantially. In the first half of 1945, shortages of labour further restricted output in Britain and in the United States, and large quantities of textiles were diverted to war and relief requirements. As a consequence, Canada's allocations of yarns and fabrics were again reduced, and it was not until the final quarter of the year that the sharply declining trend was arrested. Supplies of cotton and worsted fabrics imported during 1945 were considerably lower than during 1944 and though imports of cotton fabrics increased towards the end of the year they were still very materially below requirements and there was no early prospect of an adequate supply.

Continuous efforts were made to sustain and increase domestic production of yarns and fabrics. With the advice and on the recommendation of the Board, National Selective Service intensified its efforts to maintain and to increase the working force in the spinning and weaving mills, and in addition the Board, in conjunction with the Department of Labour, assisted in setting up plant training schools designed to improve the use of existing manpower. These measures undoubtedly helped to check the loss of workers and to sustain primary production. While they prevented an even worse situation from developing, they did not overcome the shortage of labour and production, during 1945, barely held its ground, and in the important case of cotton fabrics was somewhat lower than in the previous year.

Thus total textile supplies—home produced and imported—were smaller in 1945 than in 1944. Since military requirements remained substantial during the first half of the year, there was a further restriction in supplies of fabrics and yarns available for civilian use. While the later cancellation of military contracts provided some relief, supplies were still far from adequate and new demands from reconverting industries appeared on the scene, such as those for upholstery for automobiles. Meanwhile, consumer demand continued to expand at an even more rapid rate than during the previous year. The high public expenditure on textile products had already depleted retail inventories, and with the curtailment in production of garments in the latter part of 1944 and the first part of 1945, these mounting purchases threatened to produce widespread shortages of essential garments. Moreover, the large scale demobilization of service personnel in the latter half of the year much increased the demand for staple items of men's apparel, and pointed to serious shortages of these garments.

It was to forestall the development of such acute shortages that the Board took action early in the year to extend its allocation and production controls over yarns and fabrics and to widen greatly its system of production directives. By controlling the flow of fabrics and by directing maximum production of essential garments, these measures were designed to achieve the most effective use of the

limited supply of yarns, fabric and labour available for civilian manufacture. They represented a further development of the positive policy of seeing that essentials were produced in the largest feasible volume. They diverted materials and production capacity to needed production and thus away from non-essential output. While there were many difficulties and problems, these measures did have the general effect of checking the decline and in many important cases of increasing the production of essential garments. Though production was not sufficient to meet all demands, the trend was in the right direction and the critical situation which had threatened was averted.

These difficult problems of supply meant that the pressures on ceiling prices remained severe throughout the year. A number of steps were therefore taken to improve and strengthen price control and to maintain price-quality relationships. Moreover, as an integral part of price control policy, specific provisions were included in many of the directive programs to maintain and to increase production of lower priced lines. In accordance with government policy, all subsidies were thoroughly reviewed and early in 1946 certain reductions were made as a first step towards their ultimate removal.

A. PRODUCTION DIRECTIVES

The measures taken in the spring of 1945 to provide for reasonable supplies of essential garments were an extension of the system of production directives which had been begun in 1943 and had been successful in increasing the output of essential types of knitted wear, children's clothing and work clothing. As a basis for the expanded program, a list of garments which included most important articles of clothing was drawn up and production quotas were established for these garments, at levels designed to meet the genuine needs of the population and limited only by the facts of the fabric and yarn supply. In an effort to check the trend towards the manufacture of higher priced garments, each producer was required to distribute his quota in the same proportion in each price range as in 1942. The large fabric requirements for this comprehensive program, in some cases representing most of the available supply of the fabric concerned, necessitated the introduction of formal controls

over the distribution of fabrics. In order to check the results of the program and to deal with difficulties and abuses, provision was made for monthly reports of directed production by price ranges from garment manufacturers.

The problems involved in so large a program in such a varied and complex industry were many and the Board relied greatly on the co-operation of manufacturers. The successful scheduling of garment production was largely dependent on establishing a flow of fabrics in appropriate quantities and price ranges. This undertaking was complicated by the time-lag between the production of fabric and the manufacture of garments. In some instances, arrangements undertaken at the outset of the program could not be fully reflected in the production of garments for a period of several months. The uncertainty and delay in obtaining imported fabrics resulted in serious deficiencies in the supply of certain materials, and handicapped the production of some garments during the early stages of the program—difficulties which were only partly overcome by substitution of other suitable fabrics and by further depletion of working inventories. In the latter part of the year, however, larger imports of cotton fabrics and procurement of surplus military fabrics for civilian use helped to fill the more serious gaps in the required supply.

There were other difficulties. Some of the rayon mills did not produce the required quantities of lower-priced fabrics and special steps had to be taken to correct this situation. Throughout the garment industry there was a strong tendency to shift into higher-priced lines which the directive program did not entirely succeed in counteracting. Then there was the difficult problem of dealing with manufacturers who had commenced business in 1944 and who had no suitable historical record upon which to base a directive quota. And finally, while co-operation from manufacturers was generally good, it was less easy to enlist the active support of the trade after the war ended.

But despite these difficulties, production was substantially increased by the directive program. Fabrics were diverted away from less essential production into needed output. Through more efficient use of the limited supplies of yarns and

fabrics, the critical and widespread shortages of needed garments which threatened earlier in the year have been largely averted and the special needs of demobilized service personnel have been met to the largest feasible degree with a minimum of dislocations to the regular civilian supply.

A considerable part of the directive program is being continued into 1946. Though the cancellation of military contracts both in Canada and in the United States brought some relief towards the end of the year, domestic production of yarns and fabrics has not yet increased much and it is still quite impracticable to obtain a sufficient volume of imports. Thus, while a number of directives were not renewed in 1946 and while control over the distribution of some fabrics was made less formal, most of the important directives were continued,* and suitable machinery was maintained to see that manufacturers receive the required fabrics and yarns.

Various parts of the production directive program are discussed in the following sections on woollen and worsted goods, cotton goods and rayon goods. Knit goods are not dealt with separately in this report since there were few new developments during the year. The directives which had been introduced for most knit goods prior to 1945, were continued (with one new addition, adults' knitted woollen outerwear) and notwithstanding severe shortages of knitting yarns, production was maintained.

B. WOOLLEN GOODS

The supply of woollen and worsted fabrics and yarns available for civilian use was substantially reduced in 1945. Canadian production continued to be restricted by shortages of labour, and in the first half of the year heavy military requirements diverted a substantial part of the worsted supply. In addition, a considerable yardage of woollen fabrics was produced to provide for Canada's commitments to the United Nations Relief and Rehabilitation Administration. At the same time, imports of fabrics did

* Including woollen work clothing, boys' and children's woollen clothing, men's suits, men's cotton work clothing, men's and boys' furnishings, children's and infants' cotton clothing, women's low-priced dresses, women's lingerie, knitted underwear, and hosiery.

not come up to expectations. Faced with a restricted production and heavy demands at home, for export and for relief, the United Kingdom reduced substantially the somewhat increased allocation which had been negotiated for Canada in the preceding year; the special allocation of worsted cloth for the requirements of demobilized servicemen was left undisturbed.

In these circumstances, controls over production and distribution of fabrics had to be further developed. The Wool Administration of the Board had previously taken steps to increase production through its system of licensing all fabrics, through the formal direction of worsted fabric production, and through the control of distribution of all weaving and knitting yarns. These measures were supplemented early in 1945 by a formal directive to all weavers requiring the production of specified quotas of all woollen and worsted fabrics. To implement this directive, the Board gave mills every practicable assistance in the procurement of yarns and labour. Additional steps were taken to assure the most effective use of fabric supplies. Directives carrying a priority in the procurement of fabrics were already in force for essential children's clothing and for men's work clothing. New directives were issued in the spring of 1945 establishing six-month quotas for men's suits, overcoats, topcoats, separate trousers, caps and work shirts, and women's coats, suits, dresses, shirts and work slacks. Provision was also made for essential industrial requirements, for a modest quantity of retail counter goods, for merchant tailor supplies, and for necessary clothing not under directive such as civilian uniforms and clerical garments.

Fabric requirements for this program called for the entire visible supply of woollen and worsted fabrics, and necessitated formal control over the flow of fabrics to prevent dissipation to non-essential uses. Accordingly, the Wool Administration issued an order restricting the sale and delivery of all woollen and worsted cloths to those garment manufacturers or wholesalers holding fabric purchase authorizations. These authorizations were issued concurrently with directives and entitled the holder to place orders with his normal supplier for a maximum stipulated yardage.

Where a manufacturer or wholesaler was unsuccessful in procuring this authorized yardage, he advised the Board of his deficiency and assistance was given in filling such balances from any unbooked weaving capacity. Most deficiencies were overcome with the exception of some resulting from reduced imports.

By these means, the flow of fabrics was guided towards production of essential garments and away from non-essential uses. Progress of directed production was checked by monthly reports and every feasible effort was made to see that all fabrics obtained under priority were used for the purpose intended. Though many difficulties were encountered, production of woollen and worsted garments was well up to the directive quotas by the end of the year.

Particular emphasis was placed on production of men's suits and overcoats having in mind the needs of demobilized service personnel. In the case of suits, a special priority system provides each serviceman when discharged with a certificate entitling him to priority in the purchase of a suit. Retailers are assured replacement of suits sold against these certificates on presenting them to the manufacturer and the manufacturer retains 35 per cent of the suits he is required to produce under his regular directive for delivery against certificates as well as the additional production from the special supply of British worsted fabrics distributed through the Canadian Wool Board.

C. COTTON GOODS

The civilian supply of cotton fabrics was also lower in 1945 than in 1944. Canadian production was somewhat lower than in the preceding year and imports were down quite sharply. Allocations from the United States of fabrics and yarns were substantially reduced and increasing difficulty was experienced in procuring the amount allocated despite special assistance from the United States authorities. The allocations were very low in the second and third quarters of the year and though the amount allocated in the last quarter was raised considerably the actual deliveries did not keep pace.

In view of these shortages of fabric, additional measures were required to

sustain the production of essential garments, though no formal and comprehensive system of fabric priorities like that instituted for woollens and worsteds was adopted. In the spring of 1945, directives were established for the staple lines of women's and men's apparel and for all work clothing, carrying a priority in the procurement of fabrics and labour. These garment directives were supplemented by a formal directive to cotton weavers setting quotas for the production of staple fabrics, and by requiring fabric suppliers to divert all suitable fabrics to garment manufacturers under directive, and after providing for essential industrial and institutional needs.

Notwithstanding the diversion of suitable domestic fabrics towards directed garment production, deficiencies of some fabrics developed as a result of the reduction of imports from the United States. Manufacturers of men's shirts and work clothing were particularly affected and for some time output of shirts and work clothing was considerably below production quotas. While somewhat larger imports in the last quarter and distribution of some surplus military fabrics helped to meet these deficiencies, the accumulated loss of production, for shirts in particular, has not yet been made up.

D. RAYON GOODS

Supplies of rayon fabrics for use in garments were somewhat reduced in 1945 owing to the continued diversion of Canadian viscose yarn capacity to the production of high-tenacity yarn for tire fabrics, and to reduced imports of yarns and fabrics from the United Kingdom and the United States. In the fourth quarter, the United States cancelled the allocation system under which the Commodity Prices Stabilization Corporation had been bulk-purchasing substantial quantities of acetate and viscose yarn. Only a small portion of the amount that had been expected under the allocation could be obtained. However, since it occurred late in the year, this development had comparatively little effect on the fabric supply in 1945, and during the year the total yardage of rayon fabrics should have been sufficient to meet essential requirements. In fact, however, there were shortages in the supply of lower-priced fabrics which resulted from

increasing substitution of higher-priced lines. The consequent restriction in the flow of cheaper fabrics to garment makers curtailed output of low-priced rayon garments and resulted in growing shortages at the retail level.

To offset this adverse tendency, controls were introduced designed to restore the flow of lower-priced fabrics. Based on the requirements of garment manufacturers for fabrics to meet their directed quotas in the lower-priced lines, rayon mills were given distribution schedules and were required to apportion their production according to the quantities and price ranges stipulated in these schedules. These measures meant a substantial change in the existing pattern of production and distribution of rayon fabrics and necessitated a considerable period of adjustment before the desired result could be achieved. Moreover, at the end of the war, some of the rayon mills were loath to change the character of their production and the nature of their distribution. The result was that the shortage of lower-priced fabrics continued, and the Board had to take special action to obtain compliance and had to continue the controls over the rayon mills for the first six months of 1946.

E. REMOVAL OF RESTRICTIVE REGULATIONS

Though there were many problems of supply during the year, the Board almost finished removing the purely restrictive types of control which were instituted at the height of the wartime emergency. Reliance was placed on positive measures designed to get the production which was needed—on requiring manufacturers to produce sufficient quantities of essentials rather than on preventing them from producing non-essentials. While the directive program did have the effect of curtailing the output of less essential goods by diverting fabric to essential uses, manufacturers were usually free to utilize any fabrics that were not required for directed production in whatever manner they saw fit.

All but two of the restrictive orders concerned with textiles were removed during the year, and it is of interest to add that all such restrictions concerning footwear and all but one in the sphere of leather were terminated. At the year

end, there only remained in force an order confining the use of fleece fabrics to underwear, children's and infants' clothing and linings for gloves and footwear; and one other to do with length and sweep restrictions on women's, misses' and children's cotton and rayon wear. Restrictions rescinded during 1945 include: the conservation and styling controls on all woollen outerwear, work clothing, men's and women's evening wear, hosiery, knitted lingerie and such household textile products as sheets, pillow cases, towels and curtains; controls on the use of elastic in the manufacture of girdles, corsets, medical garments and other clothing; use and distribution restrictions on kapok, raw silk, nylon yarn, and cotton duck. Restrictions on the export of textiles from Canada however, have been maintained. The system of export quotas providing for the modest requirements of those countries normally dependent on Canada operated throughout 1945, and has been continued into 1946.

F. PRICE PROBLEMS

In view of the continuing shortage of textile supplies, it was not surprising that the pressure on ceiling prices remained severe. Nevertheless, ceilings were generally held and in a number of cases price control was strengthened and improved. Some price increases were authorized but these were principally the result of changes in subsidies which took place early in 1946.

The main problems of price control in 1945 were concerned with the maintenance of appropriate relationships between price and quality and with the provision of sufficient supplies of lower-priced lines. The production directives were the principal means of dealing with this latter problem. The maintenance of quality in relation to price was the subject of a number of investigations in some cases requiring remedial action.

One such investigation was a thorough survey of manufacturers' prices of men's and boys' shirts, pyjamas and flatcut underwear, undertaken because of numerous complaints that the prices of these articles were higher than in the basic period. Manufacturers were required to submit details of costs and of selling prices and samples of fabrics covering

all their lines, together with data on the most nearly comparable basic period lines. The review brought to light a number of cases in which quality had been reduced without appropriate price reductions. As a result, new price fixations were issued, and in some cases maximum retail markups were reduced, and in a number of cases it was expected that an appreciable reduction in retail selling prices would result. Careful investigations into the quality of knit goods were also made during the year and in some cases it was discovered that there had been considerable deterioration in quality since the basic period. In these instances, manufacturers were required to improve the quality, or appropriate reductions were made in the selling price.

Other steps were taken to improve the effectiveness of price control. The order restricting retailers' markups on sales of women's and children's dresses, coats and suits to a specified maximum percentage, which was issued in 1944, was supplemented by setting maximum markups for wholesalers. In addition, this principle of setting a standard maximum markup for retail and wholesale transactions was extended to men's and boys' clothing, though like the order on women's wear the standard percentage markup did not supersede the basic period markup when the latter percentage was lower. For the purpose of enforcement it was also necessary to require manufacturers to show their name or other identification on each garment no matter when the garment had been manufactured. This requirement had originally applied only to garments manufactured after a certain date, and enforcement had been impeded by the difficulty of proving in court when a garment had been made. The regulations requiring the proper invoicing of sales were also improved to enable Board officials to relate invoices to the goods they covered.

Few price increases were authorized during 1945, the principal one being a small advance in the manufacturers' price of men's suits which, however, resulted in very little change at the retail level. The most important pricing developments occurred after the turn of the year as a result of reductions in the basic subsidies paid on textiles. In accordance with the Government's policy

of reducing and removing subsidies as promptly as feasible, the whole system of subsidy payments on textiles was thoroughly reviewed by the Board. The most important subsidy—that on raw cotton—had been based on maintaining the manufacturer's cost at the level prevailing in February, 1941. Since the world price of cotton had risen to almost double this figure and since there was no reasonable prospect of a decline in world prices of such drastic proportions, it was decided to increase the basis on which the subsidy was calculated by 4 cents per pound. At the time of this action (March 1, 1946) this was equivalent to reducing the subsidy by about one-third. The subsidies on raw wool were eliminated in a number of cases, though here the amounts involved were comparatively small and, in the case of Empire wools, prices had already decreased to a point which almost removed the need for subsidies. In addition, certain domestic subsidies on worsted yarns and fabrics were discontinued.

These changes involved a number of compensating price adjustments for cotton yarns and fabrics and to a lesser extent for woollen yarns and fabrics. These price increases in turn necessitate price

adjustments for garments and other textile products made from such fabrics and yarns, which will gradually be reflected down to retail level. Such increases will be held to a minimum, however, and at the consumer price level will be comparatively small. Price increases at the manufacturing level are being specifically controlled by the Board and in order to prevent unreasonable advances at the wholesale and retail levels the system of standard maximum markups already in effect for a number of garments has been extended to most lines of merchandise containing cotton or wool.

The subsidies formerly paid on leather used in the manufacture of footwear were removed in September, 1945, and retail prices of footwear were held at, or close to, previous ceiling levels. The subsidy paid to tanners of glove and garment leather was cancelled early in 1946, though in this case appropriate price adjustments have been necessary and will be carried through to the finished articles. In addition, most types of hides and leather became ineligible for subsidy on March 1, 1946, but it is not expected that this change will affect the retail prices of articles containing these materials.

VII. PULP AND PAPER

As the war came to an end, the demand for Canadian pulp and paper products became world-wide and increased further. Thus, while the efforts made to increase supplies were rewarded with some success during 1945, it remained necessary for the Board to exercise controls over the manufacture and distribution of the supplies available. Since many of the United Nations, including the United States and the United Kingdom, continued to be heavily dependent on Canadian supplies, an equitable sharing of Canadian production between domestic and export markets was still required and the problem of apportioning the limited supply was complicated by the need to assist in meeting the urgent requirements of the liberated countries of Europe.

While some external demands went unfilled, essential domestic needs were met, the United States received its fair

share of a somewhat larger supply, and increased shipments went to Great Britain and other allied countries. The expansion in output which made these enlarged shipments possible occurred almost entirely in the latter half of the year and was based on the increased cut of pulpwood in the winter months of 1944-45. The special wartime efforts to enlarge the cut of pulpwood were continued and extended and as the wood began to replenish the almost empty storage yards of the mills in the summer months, production rose considerably. With the return of men from military service, woods operations were again expanded this past winter with the result that pulp and paper production is likely to increase further in the latter half of 1946.

While there was no increase in the proportion of Canadian production made available in the domestic market during

1945, the moderate rise in output and the decline in requirements for war purposes resulted in a somewhat larger supply of pulp and paper products for civilian use. In most cases, however, the increased supply has not been sufficient to meet the unusually high demand, and a complete balance between supply and demand is not likely to be realized for some time yet. This is particularly true of those pulp and paper products which are used in the packaging of food for export and in the housing program.

It has thus been necessary to continue a number of basic controls to assure a sufficient supply for essential Canadian needs, including allocation and distribution controls over pulp, paper, paperboard and some converted paper products, and export controls over pulpwood. It has been possible, however, to rescind most of the simplification and standardization orders and to remove the formal export restrictions over a number of pulp and paper products.

A. NEWSPRINT

Reflecting the improvement in the supply of pulpwood and the restoration of electric power supplies which had been diverted some years earlier for war needs, production of newsprint began to increase materially during the summer. Output for the full year of 1945 was about 3,250,000 tons, representing an increase of about 9 per cent over 1944 and being some 13½ per cent greater than the output of 1939. Canadian consumers of newsprint received appreciably more than prior to the war, and measures were taken to ensure them a fair supply.

Exports of newsprint remained subject to the control of the Administrator until the end of the year and shipments were made to more than forty countries. During the first six months of 1945, newsprint exports to the United States were continued at the 1944 rate, i.e. 200,000 tons per month. In the third quarter the rate was stepped up to 220,000 tons per month and for the fourth quarter it was 230,000 tons per month. Thus, in 1945, the United States received approximately 2,550,000 tons of Canadian newsprint, which represented more than 75 per cent of the total United States supply, and was some 11 per cent in excess of the average annual exports to that country during the

five immediate pre-war years. Overseas shipments of Canadian newsprint in 1945 increased 107,000 tons over 1944 but were still considerably below normal.

By joint agreement Canada and the United States provided for shipments to liberated countries and the procedure for determining the amounts was worked out between the paper control agencies of Canada, the United States, and the United Kingdom, functioning through the Combined Raw Materials Board. Under these arrangements Canada manufactured approximately 70 per cent of the amounts shipped.

In October, following information from the War Production Board that control over the distribution of newsprint in the United States would be terminated at the end of the year, the Newsprint Administrator announced that allocation of Canadian newsprint production to all markets, other than to Canada, and all the associated controls, would be discontinued as of the 31st of December, 1945. Domestic allocation of newsprint was still continued, though the formal permit system controlling the use of newsprint and other print paper was replaced at the year end by direction of distribution from the mills. The industry compensation plan, under which wartime burdens were distributed amongst all Canadian companies, was also terminated at the end of the year.

With the termination of export allocations, Canadian newsprint manufacturers are now free to make their own supply arrangements in export markets. The indications are that more tonnage will be available from Canada for the United States in each of the first two quarters of 1946 than was available in the fourth quarter of 1945, though it is improbable that even this rate of shipments will be sufficient to satisfy the full demand. Deliveries of newsprint to the United Kingdom in 1946 will be below those of 1945 because of currency conservation measures adopted by the United Kingdom but shipments to other overseas markets are likely to be somewhat larger.

B. WOODPULPS

Canada's total production of woodpulp of all kinds was about 5,590,000 tons in 1945. This represented an increase of 6 per cent over 1944 and of 34 per cent over

1939. Canadian exports of pulps continued at more than twice the pre-war rate in order to meet increased demands and to replace in part Scandinavian supplies. While some Scandinavian supplies became available towards the end of 1945, the world demand was such that Canadian shipments were not affected and, indeed, the demand remained well in excess of available supplies.

As in previous war years, arrangements were again made in 1945 with government agencies in the United States and the United Kingdom regarding the quantities that would be allocated to these countries. The urgent needs of the United Kingdom and other Empire countries for increased supplies of pulps were recognized by all three countries, and it was agreed that Canada should assume the greater share of these additional requirements. These extra requirements for pulp, coupled with the limited pulpwood supply until the new cut began to reach the mills in June, necessitated a slight reduction in the rate of pulp exports to the United States during the first six months of the year. An increased rate became possible in the second half of the year and the result was that total shipments of pulp to the United States in the full year were slightly higher than in 1944. At 1,130,000 tons these shipments were 91 per cent above the pre-war rate. Shipments to the United Kingdom totalled 285,000 tons and were five times as great as the pre-war average (1935-39).

Following a policy similar to that adopted for newsprint, allocation of woodpulp to all external markets was discontinued at the end of 1945, and from that date pulp manufacturers became free to make their own arrangements in export markets. However, domestic allocation of pulp was continued, for without such control it would have been quite impracticable to assure adequate supplies for the production of pulp and paper products in the face of the heavy demands for pulp from the United States.

C. DOMESTIC PAPER CONTROLS

Print Paper

Throughout 1945, domestic distribution of print paper (both newsprint and fine printing papers) to newspapers, magazines and other publications continued to be controlled by quotas set for

users by the Administrator of Printing and Publishing. As newsprint production increased, it was possible to make some upward adjustments in quotas and to allow somewhat more flexibility in supplying new publications and periodicals. In view of the gradual improvement in the supply of print paper, the detailed permit system of distribution was discontinued at the year end. But since demands were still in excess of supplies, it was necessary to maintain allocation controls and this was done by directing manufacturers and wholesalers to make monthly deliveries to their customers throughout 1946 at least equal to the average rate of delivery during 1945 or during the final quarter of 1945, whichever was the greater. Commercial printers were free to use the supplies of paper, which they obtained under this system, as they saw fit but were asked to continue to give priority to more essential needs, such, for example, as school textbooks. As a means of ensuring the maximum production of fine papers, the order limiting the weights and standardizing sizes and grades of book and writing papers is being continued in operation.

Paper and Converted Paper Products

Curtailment of military requirements permitted a progressive easing in the priority and quota control system over the use and distribution of paperboard boxes and shipping cases. By late in the year these special controls over the use of containers had been removed. At the same time, however, the heavy demand for paperboard necessitated continuance of allocations from the mills on paperboard used for boxes as well as the continuance of the restrictions simplifying and limiting grades, weights and colours of paperboard of boxboard grades. Special efforts have been made to increase the production of paperboards, building boards and roofing materials needed for the construction program and much of the wartime simplification of types of roofing products is being maintained.

Most of the simplification restrictions concerned with converted paper products were withdrawn during the last six months of the year. At the year end there remained only maximum weight restrictions on paper bags and envelopes

and two orders designed to conserve woodpulp used in the manufacture of bread wraps and paper towels. Distribution controls over converted paper products at the wholesale and retail levels have been made more flexible so as to permit diversion of supplies to veterans and other new entrants into business.

Wrapping Paper

Since all types of brown paper, such as kraft for wrapping and making bags and multi-wall sacks, continued to be in short supply, the quotas for specific uses had to be maintained throughout the year. Towards the end of the year, it was feasible to raise mill quotas and to ease to some extent the restrictions on distribution of wrapping paper at the wholesale level. But in view of the abnormally heavy demands for brown papers, distribution controls are being continued into 1946.

Waste Paper

The supply of waste paper continued to be inadequate to meet the domestic demand during 1945 and the level of prices and demand prevailing in the United States, from which a portion of Eastern Canadian requirements were normally drawn, did not permit procurement from that source. The Board, therefore, continued to allocate waste paper supplies to the various users and where necessary gave special consideration to the needs of mills producing products for housing and other essential uses. When the salvage publicity work of the Department of National War Services was discontinued, the consuming industry, with the approval of the Board, established its own publicity and collection organizations. While collections of waste paper have been quite well maintained, they have not been adequate to meet the full demand, and the Board is accordingly continuing its system of allocation into 1946.

VIII. LUMBER AND LUMBER PRODUCTS

The shortage of labour for woods operations and in the sawmills continued to be the main cause of supply and price problems in the sphere of lumber and lumber products. Although production in 1945 was as high as the previous year's 4,700 million board feet, it was quite insufficient to fill domestic and export requirements and the pressure on price ceilings thus remained severe. While the existing ceiling structure was generally held, some adjustments were necessary both to deal with financial difficulties of producers and in connection with the gradual removal of subsidies.

A. LUMBER

While manufacturers' ceilings in most cases remained unchanged, ceilings for hardwood flooring were raised, the consumer subsidy on lumber was removed, and certain other adjustments were required. Hardwood flooring was becoming extremely scarce and was urgently required for residential construction. It was clear that increased production would involve higher costs: labour was difficult

to obtain and supplies from more distant sources involved higher transportation costs. The production of birch logs for flooring had been restricted by the demand for high quality birch peeler logs for aircraft veneers. Suitable lumber was therefore scarce and the use of less suitable material involved extra processing and increased waste. To offset increased costs and to facilitate larger production the Board permitted an increase in the maximum wholesale and retail prices of birch and maple flooring in March. The manufacturers undertook to increase production substantially and, while expectations were not fully realized, their production in 1945 was in fact some 10 per cent higher than in 1944.

In April, 1945, maximum prices were established for the various grades of spruce and Princess or Jack pine lumber produced in the Maritime Provinces. Prior to that time, the bulk of spruce and pine lumber produced in these provinces had been sold under one general grade known as "merchantable" and the balance under two lower grades as "culls", except

for specially selected stock for delivery to particular markets. In order to provide an incentive to the production of better quality lumber the industry established grading rules in March, 1945, and the Board set maximum manufacturers', wholesalers' and retailers' ceiling prices in proper relationship to ungraded prices.

It also became necessary during the year to establish standard maximum manufacturers' prices for sales of plywood panels of birch, elm, maple, ash and basswood manufactured in Eastern Canada. The cost of these products had risen considerably since the basic period, as the bulk of the industry had been engaged in the manufacture of aircraft veneers and the only plywood available for civilian uses had been aircraft rejects. These were expensive since aircraft veneer required the highest quality of birch peeler logs which could only be obtained by selective cutting over wide areas. Until 1943 increased costs of plywood had been met by individual arrangements for appropriate price increases. While the prices so established constituted the legal ceilings, the prices actually charged continued to advance after 1943. The new order issued in June, 1945, set standard prices for a wide range of sizes and specifications by grades and was designed to roll back prices to appropriate levels.

The subsidy paid on retail sales of lumber was re-examined and removed in 1945. This subsidy had been introduced in 1943 in order to reduce the impact of increased prices of softwood on certain groups of consumers. Under this arrangement farmers, fishermen, growers of fruit and vegetables, trappers and certain other users were able to purchase lumber at retail (within certain limitations) at a 10 per cent discount for use in their personal trade or occupation, the Board reimbursing the retailer for this amount. Experience demonstrated that the benefits of this subsidy were unevenly distributed. Thus in July, 1945, as part of the program of subsidy removal, this arrangement was cancelled.

Another subsidy revision affected sawlogs for market in the Vancouver Forest District. This was the only area in the Dominion where it had been necessary to establish ceiling prices for sales of market sawlogs. Since 1943, a subsidy

had been payable to sawmill operators in the coastal area of British Columbia to offset in part increased prices of logs purchased by them in the open market. The subsidy was subject to limitation in accordance with the recipient's profits, and following an examination of the financial position of the applicants it was found possible to cancel the subsidy at the end of June, 1945. In the following November, after an investigation of the representations made by both loggers and log buying mills that a further adjustment of the prices of sawlogs was necessary for the maintenance of production, such logs were declared suspended from the price ceiling regulations. Prices did not advance beyond the extent expected and no change was made in the domestic price of lumber.

Minor subsidies on snow-fencing and box grade veneer became inoperative in November, 1945, and January, 1946, respectively, and the disappearance of these removed the last subsidy arrangements in the sphere of lumber. Under the revised import policy, effective January 21, 1946, (see p. 11) no lumber items remain eligible for import subsidy. Formerly assistance had been given on a number of relatively unimportant imports, such as scale board for cheesebox manufacturing and handle blanks for tools.

B. WOODENWARE

The shortage of wooden containers, which became quite acute in the spring of 1944 as a result of heavy military requirements and increasing exports of foodstuffs, continued throughout most of 1945. As military needs diminished the demand for export packaging for foodstuffs increased, though towards the end of the year the supply improved to a point where it was feasible to cease controlling the allocation of box deliveries and to remove the existing restrictions on the manufacture of boxes. Many of the subsidies designed to keep down the cost of wooden containers were again authorized in 1945. By the close of the year, however, successive cancellations had removed almost all subsidies applicable to wooden containers. This action was in keeping with the policy of gradually replacing subsidies by controlled price increases where cost increases are believed

to be of a relatively lasting nature. Thus the subsidies on boxes and shooks, fruit and vegetable containers, basket bottom lumber, cheese boxes, egg boxes, apple barrels, powdered milk barrels and nail kegs, and many special arrangements covering boxes and cooperage, have been superseded by price increases, either on an industry-wide basis by Administrator's Order or on an individual basis where need can be shown. The only domestic subsidies remaining in woodenware except for butter boxes are a few individual arrangements covering production of miscellaneous commodities. Several arrangements of this nature have already been cancelled and others are still being reviewed.

On March 31, 1945, the subsidy which had been paid to furniture manufacturers to stabilize selling prices in the face of increased costs was cancelled. This subsidy had been subject to limitation in accordance with the recipient's profit position, and it had become apparent that many manufacturers were now in a position because of the limitation principle to return the subsidy or to refrain from claiming it. Where the selling prices of a particular manufacturer in the basic period had been below the general industry level and the maintenance of such prices was causing hardship and financial need, selling prices could be adjusted up to the general industry level.

IX. METALS AND METAL GOODS

The shortage of civilian metal goods, appliances and machinery remained acute in 1945, though in the latter part of the year substantial progress was made in increasing production and in preparing for resumption of large-scale output of the more complicated durable goods. Demand, accumulated during six years of war and backed by wartime savings and a high level of income, was extraordinarily large, and it was obvious that it would be some time before production could reach an appropriate rate. In order to clear the way for increasing output as rapidly as supplies of materials and labour permitted, the Board had removed many of the orders restricting production of civilian metal goods prior to 1945 and shortly after V-E Day all such orders, except for those concerning metal containers, had been eliminated. Curtailment of war contracts increased the supply of metals for civilian use, but demand was heavy and it took time to increase output of civilian forms and weights of metals with the result that supplies were sometimes inadequate to meet the full demands of expanding civilian industries. Then, early in 1946, the steel strike in the United States seriously retarded production in many steel using industries both because it reduced shipments of needed types of steel and because it resulted in delaying the delivery of U.S. components required in the manufacture of a variety of durable

goods. The labour supply improved in the latter part of the year but there were still shortages of certain kinds of skilled workers. In these circumstances of changeover from war to civilian production there were inevitably a variety of pricing problems, though the number of adjustments in price ceilings which were necessary was minimized by the Government's action in reducing and removing special war taxes and, in some cases, the sales tax.

A. METAL SUPPLIES AND CONTROLS

As supplies of copper, iron and steel, aluminum, magnesium, zinc and lead improved with the cancellation of war contracts, the Wartime Industries Control Board revoked its regulations restricting the use of these metals. At the end of October the Prices Board assumed responsibility for the few remaining regulations formerly operated by the Metals and Steel Controls. (In January, 1946, however, the shortage of steel had become so serious that the Steel Control of the Department of Reconstruction and Supply was re-established.)

Despite the general improvement in metal supplies for peacetime use, supplies of steel sheet and a number of other types of steel, malleable iron castings, tin, brass and copper tubing did not keep pace with the extremely high volume of reconversion demand. This was partly a result of

the fact that civilian demands were in many instances different from wartime requirements. For example, the resumption of the output of household appliances produced a heavy demand for types of copper tubing which were required in relatively small quantities during the war and time was involved in changing over to different kinds of production. Shortages also reflected the difficulties of obtaining needed imports and in some cases scarcity of labour. The continued inadequate supply of iron and steel scrap resulting from the enormous export of steel in arms and munitions also handicapped steel producers.

For such reasons, shortages of steel, and particularly of steel sheet, persisted throughout the year. Although supplies were improving, there was little prospect of meeting all demands until the second half of 1946. Then the steel strike in the United States caused a major interruption in the flow of supplies. Important and urgently needed imports from the United States were almost completely cut off for the time being and when the strike was over the aggravated shortage in the United States added to the difficulties of regaining a sufficient volume of steel imports. Because of the strike the Steel Control was re-established in January, 1946, and a system of allocating steel supplies was put into effect. To help meet the emergency, the Steel Controller also directed the steel companies to undertake certain uneconomic operations on which subsidy payments will be involved.

Direction of output and allocation of malleable castings for farm implements has been continued. Deliveries of copper and brass tubing are still governed by an informal priority system, which replaced the more formal method of screening civilian requirements that was in effect up to May, 1945. Requirements of the farm equipment, plumbing and refrigeration industries are co-ordinated by the Prices Board and placed on the manufacturers' mill schedule.

In the case of tin the shortage has not yet been alleviated largely because of the destruction of dredges and other equipment in Malaya, the chief source of supply. The domestic stockpile and supplies of scrap have been largely used up and demand has much increased. In these circumstances, allocation of tin supplies had to be continued in 1945 and

in some respects was more restrictive than in 1944. In the early part of 1945 the Commodity Prices Stabilization Corporation was authorized to pay subsidy on tin imported by the Metals Controller from England to the extent that it went into the production of civilian goods. In October, the Board took over from the Wartime Industries Control Board responsibility for the allocation of tin supplies and handling of the stockpile; further purchases of tin became the responsibility of the Commodity Prices Stabilization Corporation under the direction of the Administrator of Non-Ferrous Metals.

B. METAL PRICE PROBLEMS

Domestic price ceilings for metals were unchanged in 1945, except for certain necessary adjustments on steel and malleable iron castings. Nevertheless, the loss of war contracts increased the pressure on ceilings in a number of cases, since it resulted in lower volume and frequently meant the substitution of less profitable business in the place of war orders. This latter situation, for example, was true of the iron and steel industry.

The steel castings industry encountered a serious decline in production after the war and was able to demonstrate to the Board that civilian production could not reasonably be continued at basic period ceilings. After a thorough financial investigation of foundries representing 90 per cent of the industry, producers were authorized to add to their previous ceiling prices a surcharge not in excess of 20 per cent. Producers of malleable iron castings were adversely affected by the loss of relatively profitable war production, and after careful investigation some price increases were permitted in the case of those producers whose financial position was such as to warrant price adjustments.

C. METAL GOODS—SUPPLIES AND CONTROLS

The large volume of unsatisfied demand for metal consumer goods which had accumulated during the war continued to make itself felt during 1945 and was further increased by the needs of the many families, particularly of returning servicemen, seeking to establish new homes. At the same time the requirements of civilian industry for replacements as well as for new capital goods

became more pressing as the transition from war to peacetime production proceeded and the demands of the housing program for plumbing and heating equipment grew apace.

Though many difficulties were encountered and though, in most cases, supplies were still far from sufficient to meet the demand, production of many items increased substantially in the latter half of the year and preparations were made for the resumption of large scale output of such complex products as automobiles. Output of plumbing and heating supplies, with the exception of cast iron soil pipe, was generally sufficient to meet the needs of the housing program if not to fill the replacement demand. Production of electrical household appliances began to gain momentum, though there were serious difficulties in obtaining materials and components, many of which had to be imported from the United States. Radio manufacturers had a number of supply problems, among which was the difficulty of obtaining cabinets at suitable prices, but they have made substantial progress and a large supply of radios should be available within the first half of 1946. By the beginning of 1946 portable lamps and shades were in fairly good supply although some of the lower-priced units were not yet available because of increased costs of materials and labour which had the effect of encouraging production of the more profitable lines. The supply of floor lamps was still inadequate because of the scarcity of cast metal parts and tubing. Production of a variety of hardware items increased notably during 1945 although shortages of some types of kitchenware, such as aluminum cooking utensils, persisted in consequence of material and labour bottlenecks.

A great many of the restrictive controls over the production of metal goods had been removed in 1944 so that the output could be resumed or expanded just as soon as materials and labour were available. While some controls had to be carried into 1945, these remaining limitations were eliminated as rapidly as feasible and were almost all gone shortly after V-E Day.

In March, 1945, production restrictions and standardization measures on electric generators, transformers and similar equipment were withdrawn. In May,

restrictions were lifted on the production of commercial electric cooking appliances, refrigerating and air-conditioning equipment, laundry and dry-cleaning equipment and safes. Just after V-E Day, all remaining restrictions on the output of a number of consumer durable goods, including washing machines, ironers, vacuum cleaners, sewing machines, and stoves were removed, and production "programs", under which a limited output of some of these goods had been authorized, were terminated. Several orders which had restricted the use of metal in the manufacture of jewellery, trunks, and office and store equipment were also revoked.

In June, the prohibition of the production of radios and phonographs was removed since Canadian radio manufacturers had completed their war contracts and their manufacturing capacity was available for civilian production. It was pointed out at that time, however, that any large volume of production was unlikely for some time since those materials and components which were required from the United States were still being largely absorbed in war production for the Pacific theatre. The order prohibiting the production of electric refrigerators was also revoked as were restrictions on the manufacture and sale of construction machinery and equipment. In July, the last of the restrictions on farm machinery was removed (*see Chapter V*).

The only remaining restrictions were concerned with metal containers, and were necessitated by the continued shortage of tin plate. As in the previous year, it was necessary to reduce the use of metal containers from May to September for food products which could be processed later on in the year. Canning crops were very poor, however, and the reduction in the pack made more cans available for other products. In view of the heavy requirements of canned meats, a directive was issued in October which permitted unrestricted use of metal containers for packing a variety of meats, as well as beets and carrots.

In December, major changes were made in the regulations governing the use of metal containers. Containers made of blackplate were exempted from all restrictions as to use. Blackplate containers are used chiefly for the less

essential non-food products and though supplies have not improved it was decided to give canners full freedom to make use of whatever supplies they could obtain. In regard to containers made of tinplate and terneplate, the restrictions on the sizes of cans and on the products which might be packed were retained, but the limitations on the quantities that might be used for authorized products were removed.

Most of the specific controls over the distribution of particular metal goods were removed during the year, including rationing of farm machinery and of cartridges and the controls over the distribution of construction machinery. The distribution of metal products was also affected by changes made in September and November in the Board's "Policy of Equitable Distribution". Various metal goods including capital equipment, electric appliances, motor cars, jewellery, office machinery and metal containers were exempted from the general policy and could be freely distributed by suppliers. In the case of certain other metal products, such as kitchen utensils, watches and clocks, suppliers were still required to distribute 80 per cent of current production according to the rules of equitable distribution while the remaining 20 per cent could be freely distributed.

D. PRICING OF METAL GOODS

The problem of reconversion pricing centred in the sphere of metal goods many of which had been out of production during the war. However, the number and extent of price adjustments which were necessary were greatly reduced by the Government's decision made in May, 1945, to reduce excise and sales taxes. The 25 per cent excise tax on electrical and gas appliances was removed and the special taxes on automobiles, radios, phonographs, cameras and films were reduced. Thus, the tax on lower-priced automobiles, for example, was cut from 25 per cent to 10 per cent. In addition, the 10 per cent war exchange tax was eliminated on imports from non-sterling countries of machinery to be used in the manufacture of goods in

Canada and on such imports of building materials. The regular 8 per cent sales tax was removed in the case of building materials and supplies. In October, machinery used in the production of goods was also exempted from the 8 per cent sales tax. Since, with a few exceptions, these taxes were included in ceiling prices, these changes provided manufacturers with considerable leeway in meeting higher costs of production. In these circumstances, it was quite practicable for the Board to adhere to basic period prices (i.e., 1941 prices) for metal goods, subject of course to adjustments where financial need was demonstrated and in some instances where the article had been improved because of changes in design or specification. For example, automobile manufacturers were granted an average increase of about \$20 per car in October, 1945, on this latter ground.

In the case of some consumer durable goods, and notably automobiles, the method of price control was altered by dispensing with intermediate ceiling prices and relying upon the retail maximum price, thus permitting a limited amount of free bargaining with respect to distributors' margins. In the case of the automobile industry, this practice of permitting freedom of bargaining below the retail price level was also extended to most automobile parts and components. The automobile companies and their suppliers were allowed to negotiate concerning the prices of such parts and components. With the maintenance of retail price ceilings for automobiles, it was not expected that this change in procedure would result in unwarranted price increases for parts, and experience since it was announced in July, 1945, confirms this view. In any event, the task of setting appropriate maximum prices for the thousands of parts and components involved would have represented an almost impossible administrative burden and would inevitably have resulted in delays in pricing at the very time when prompt decisions were most desirable. The same procedure was subsequently adopted in the case of several other durable goods where similar situations prevailed.

X. FUELS

Shortages of coal and fuelwood continued throughout 1945, largely as a result of the labour shortage in the mines and woods. The Board continued to pay subsidies on coal and fuelwood to offset the pressure of rising costs, although some of these pressures had to be met by price increases. Supplies of petroleum and its products improved with the end of the war and during the summer all restrictions on their use were removed. The cost of imported petroleum declined with the return of normal shipping conditions and all subsidies were therefore discontinued, except those paid on imports into the Prairie Provinces, which were reduced.

A. PETROLEUM PRODUCTS

Removal of the various restrictions on the distribution and use of petroleum products commenced shortly after V-E Day as supplies improved with the reduction in war demands. The order which had placed under permit the use of fuel oil in private dwellings was revoked in May, 1945, and in the same month the gasoline ration was increased. Restrictions originally imposed in 1941 on the hours of sale of gasoline and oil were removed in the following month and in August after V-J Day, gasoline rationing was completely lifted. The sharp decline in the demands of the armed services for aviation gasoline made possible the removal of restrictions on the octane ratings of gasoline, and the regulations under which ethylene glycol anti-freeze had been directed almost entirely to war purposes were also revoked. By the end of August, therefore, all Oil Control orders had been revoked and the Control was dissolved on December 1, 1945.

Price ceilings on petroleum products remained in force in 1945, but the end of the year marked the Board's withdrawal from all subsidy arrangements, except those payable on imports of petroleum into the Prairie Provinces. The removal of subsidies on petroleum imported into Ontario, British Columbia, and the Eastern Provinces was almost automatic since all these arrangements had been designed to offset increased war-time transportation costs or temporary

diversions from normal to uneconomic sources of supply. The subsidy on petroleum products carried by ocean tanker, or ocean tanker and pipeline, into the Maritime Provinces and Quebec, were introduced early in 1942 because of the very sharp increase in shipping costs and insurance charges on cargoes from the Caribbean area. As the war situation improved and the submarine menace was brought under control, these costs declined rapidly. By V-J Day subsidy payments had practically disappeared and final cancellation became effective on all cargoes loaded after September 1, 1945.

Late in 1944 the tremendous pressure for supplies for the Pacific war theatre had made it necessary for British Columbia refineries to accept crude oil shipments from South America rather than California, their normal source, and heavy subsidies were involved. These subsidies were cancelled by the end of 1945, when it became possible for British Columbia refiners once more to secure their crude requirements from California. Petroleum subsidies paid in the Ontario area also came to an end in 1945. In previous years declining production in the Illinois fields had involved a partial switching to more remote sources of supply and in addition, the heavy burden on United States pipeline facilities had required the American authorities to subsidize oil transported by rail, with Canada agreeing to pay its share of the more costly rail hauls. With the return of more normal conditions it was possible to cancel the subsidies involved late in 1945.

The end of the war did not correct the conditions which had led to subsidies or imports into the Prairie Provinces. Declining Turner Valley production and increased war demands had made it necessary since early 1943 to import substantial quantities of the United States oil and to equalize, by means of subsidy, the cost to refiners with that of comparable grades of Turner Valley crude oils. Decreased output in the Turner Valley required the continuation of such imports in peacetime and would have placed the Board in the position of subsidizing what appeared to be a permanent increase in costs. On

January 1, 1946, the subsidy was therefore reduced and a price increase was authorized sufficient to allow near-by United States oils to be imported without subsidy. A corresponding increase was permitted in the cost to refineries of Turner Valley crude oil. Inventories in the hands of refiners and dealers at that date made it possible to postpone until the 18th of March the corresponding increase of 2 cents per gallon in maximum consumer prices of gasoline, tractor distillate, kerosene, and lighting naphtha. Substantial subsidies are still being paid on crude oil imported into the Prairie Provinces from areas farther afield.

B. COAL

The large demand for coal continued throughout 1945 and problems of supply and price were complicated by labour difficulties and wage increases both in Canada and the United States.

In Central and Eastern Canada, the shortage of coal for domestic heating purposes necessitated an order by the Coal Controller limiting the amount of Class "A" and Class "B" fuel that could be delivered to any consumer, and specifying that a certain percentage of coal delivered was to consist of lower grade Class "C" fuel. Class "C" fuels varied in quality but some improvement was noted during the year. The relatively inferior quality coals were priced at an appropriate amount below the better quality fuels.

During the year wage increases and holidays with pay were granted by the National War Labour Board to coal miners in the Saskatchewan fields. The same Board also approved a measure whereby, in each coal operation in the Maritime Provinces, a fund was to be set up based upon a levy of thirty-three cents per ton of coal sold, to be distributed to the coal miners on terms determined by collective bargaining. Since the mine operators in Saskatchewan and the Maritimes had demonstrated that they were unable to meet these higher costs of production and still maintain ceiling prices, the Government directed the Wartime Prices and Trade Board to permit the price increases required to meet the increased cost of the Saskatchewan coals, and to permit an increase of thirty-three cents per ton on Maritime coal.

During the year it was also necessary to amend the original order establishing

standard maximum coal and coke prices in the Montreal area to provide for additional types of fuel and to re-define the communities deemed to be within the "Montreal Area". The new order also recognized an additional charge to be made for oil and/or chemical treatment of low quality coal designed to enhance its burning qualities. Additional charges were provided for fractional ton deliveries.

In the spring of 1945 the classes of purchasers eligible for subsidy on imported fuel were re-defined so as to exclude a number of commercial enterprises which previously had received subsidized coal. Despite this restriction, subsidy payments on imported fuels increased slightly owing to the number of price increases authorized by the Office of Price Administration in the United States.

To ensure that import subsidies were not being paid to importers and dealers on a basis more generous than was required, the Coal Administrator conducted an investigation into the financial affairs of the larger importers and dealers. The investigation indicated that the existing scale of subsidy payments was essential in order to provide fuel to consumers at basic period prices.

As prices in the United States advanced, it became evident that Canadian industrial users were being subjected to an unduly severe "squeeze". As a means of providing relief, the War Exchange Tax was removed from all coal imported from the United States on and after June 1, 1945, on the recommendation of the Prices Board.

C. FUELWOOD

The severe shortage of fuelwood, which had been evident in 1943 and 1944, continued through 1945. The subsidy of \$1 per cord, originally instituted in 1943 to stimulate production, and the transportation subsidy which was authorized shortly afterwards, continued to be paid through 1944. Effective January, 1945, however, the subsidy scheme was re-organized and these two subsidies were cancelled. Instead, producers' prices at the roadside or loading station were increased by \$1 per cord and it was left to the discretion of the Timber Controller to authorize whatever subsidy was necessary, in his judgment, in particular cases to get the

required quantity of wood fuel produced and transported to areas of short supply. This type of arrangement had been effectively applied in Quebec throughout 1944 and has been working satisfactorily on a country-wide basis through 1945. The total cost of subsidies paid has been reduced.

During 1945 it was necessary to make certain price adjustments in rural areas

and small towns where sales are made directly from producer to consumer and where, in consequence, the payment of subsidies cannot be satisfactorily administered. It was also expected that these increases might induce some farmers who formerly produced their own woodfuel to resume this practice, which they had dropped during the war years when other lines of activity were more remunerative.

XI. CONSTRUCTION PRODUCTS

The supply of construction products increased during 1945 but was nevertheless inadequate to fill all demands. The volume of housing construction in 1945 reached a level much in excess of 1944 and higher than at any time since the boom years of 1928 and 1929. At the same time other types of building also began to be undertaken, following the cessation of war construction. During 1945 the chief difficulty in the way of a further expansion of production of building materials, as in the construction industry itself, lay in the shortage of labour. In some cases, price adjustments were necessary to induce additional production. However, as the labour supply situation began to improve towards the end of the year and early in 1946 it became apparent that even where it was possible for these industries to operate at, or near full capacity (e.g. plumbing supplies), output was still falling short of the current demands.

A. SUPPLY OF BUILDING MATERIALS

The shortage of building materials was felt throughout most of the later stages of the war. However with the approach of victory on the battlefronts, and the resultant expansion of residential construction, the situation became even more urgent. The Government's policy with respect to housing, as announced in the White Paper on Employment and Income (April, 1945) was to "encourage and use its wartime controls to assist in the production of material and equipment for a total program of not less than 50,000 units (of housing) in the first full construction year following the end of the European war."

An Interdepartmental Housing Co-ordination Committee on which the Board was represented, was set up in May to devise methods of meeting the problems of carrying out the housing policy outlined in the White Paper.* This committee arranged for priorities in obtaining building materials for certain projects (such as those planned by Wartime Housing Ltd., houses built under the Veterans' Land Act and other integrated housing projects). A special sub-committee was set up under the chairmanship of an officer of the Board to study the supply position of building materials. In this connection the Board endeavoured throughout 1945, in co-operation with manufacturers, to ensure that the maximum possible supplies were produced from available resources.** In some cases the Board was able to assist companies in expanding productive capacity by helping them to obtain needed machinery; in certain instances price adjustments were necessary to make additional production profitable. By and large, however, existing capacity in the industry was not put to its full use in 1945 because of the acute shortage of labour.

The need was particularly for skilled workers (such as moulders to work in the soil-pipe plants), but heavy unskilled labour was also very much in demand. Up to the end of the war, men of this

* As of January 1, 1946, this committee was replaced by a new interdepartmental committee (under the chairmanship of the President of the Central Mortgage and Housing Corporation) on which this Board is not represented. The responsibility for the supply of building materials was transferred to the Department of Reconstruction & Supply.

** The jurisdiction of the Board in 1945 covered all building supplies except lumber and structural steel, which were under the jurisdiction of the War-time Industries Control Board.

type were in the army, or working in war industry where work was steadier and where wages and working conditions were frequently better than in the building materials industries. Consequently, there has been some difficulty in attracting workers back to their pre-war jobs. Schemes of accelerated apprenticeship were commenced in some of the training centres.

The following are some examples of the supply situation with respect to building materials in 1945. Production of bricks was about 16 per cent higher in the first ten months of 1945 than in the corresponding period of 1944, but the yearly rate of output was only about 40 per cent of the output reached in the peak year of 1929. The principal reason for this shortage was the lack of sufficient labour, but some price increases were also found to be necessary. The production of soil pipe increased from 14,000 tons in 1944 to 21,000 tons in 1945, but supplies were considerably below the level of demand. The addition of a comparatively small number of moulders would have made possible a material expansion of output. The production of plumbing fixtures in 1945 was fairly close to the capacity of the industry by the end of the year, but the unprecedented demand still left many needs unsatisfied. It is estimated that some 46,000 bathtubs, for example were produced in 1945, of which about 90 per cent went into new houses. This was clearly insufficient to meet the total needs for new housing and replacements. Warm air furnaces were another important item in short supply. There was a serious need for skilled moulders and a shortage of galvanized steel sheets. These factors made it impossible for many plants wishing to do so to operate more than one shift, or to obtain maximum production on a one-shift basis. About 35,000 furnaces were produced in 1945, about 20 per cent of this output being used for replacement purposes. Range boilers, the replacement demand for which was very heavy, were in short supply because of the shortage of heavy sheets and skilled labour. The all-important items of lumber and mill supplies were generally in short supply during 1945, though improvement is anticipated in 1946 as a result of directives given to lumber producers by the Timber Controller. Building materials

available in reasonably adequate supply in 1945 were glass, electric equipment (except stoves), steel pipe, cement, stone, gravel and asbestos.

To help mitigate the shortage of labour in this group of industries, the Wartime Prices and Trade Board sponsored the raising of labour priorities in the building supplies field. Top priority was given to certain manufacturers of construction products and a considerable number of skilled men were also secured from the armed forces through the Industrial Selection and Release Board. To obtain men by this method, the manufacturer would appeal to the regional committee for the release of certain men, and where justified this Board would support the appeal by pointing out the importance of the release.

Towards the end of the year it became apparent that, although substantial progress was being made on construction of new dwellings, increased capacity to produce building materials would be needed and the requirements of housing would have to take precedence over other forms of construction in respect to supplies of materials and labour. In other words, a different type of administrative action was required involving the use of priorities and the adoption of more positive methods of promoting the enlargement of productive facilities. In view of the continuing nature of these problems, responsibility for the supply of building materials was transferred to the Department of Reconstruction and Supply in the beginning of 1946.

B. PRICING OF BUILDING MATERIALS

The shortage of labour in the building material industries in 1945 was accompanied by increasing production costs. Costs continued to rise throughout the year as great difficulty was experienced in obtaining sufficient workers to maintain production at profitable levels and as workers demanded higher wages. As a result, many producers operated on relatively small profits with some firms actually operating at a loss. A number of measures were adopted to meet this situation.

During May, 1945, the Government cancelled the 8 per cent sales tax on building products so as to "facilitate the increase in supplies of building materials

and encourage industrial modernization and expansion". This action provided some relief to manufacturers who were in financial difficulties, while in some cases competition led to a reduction in selling prices to the extent of part or all of the amount of the sales tax remission. The paint and varnish industry, roofing manufacturers, and wallboard manufacturers are examples of groups in which some reduction in selling prices were made voluntarily. Some brickyards that had closed down began to operate again after the cancellation of this tax. In a number of cases where existing price ceilings obstructed the expansion of production, even after the removal of the sales tax, price adjustments were made.

In the spring of 1945 the brick and tile plants in the Toronto-Hamilton area requested a price increase of \$5 per thousand bricks. This was refused since the Board felt that most firms would operate on a more profitable basis during the last half of the year; the prospects of obtaining more workers looked favourable and increased production would be coupled with the relief provided by the remission of sales taxes. The improvement in the labour supply did not, how-

ever, materialize and operators in the area found it necessary to increase wages by 25 per cent. In the circumstances the Board authorized a price increase of \$2.50 per thousand to all operators in the Toronto-Hamilton area and additional price increases were authorized on an individual basis to firms requiring greater relief.

Conditions in the soil pipe industry were similar to those in the brick and tile industry. In addition to the relief made available by the remission of sales taxes, the Board, on August 1, 1945, therefore authorized an increase of 4½ per cent in the selling price of soil pipe, and in March, 1946, a further increase was authorized.

The question of price increases needed to stimulate production in the many branches of the building materials industry is undergoing continuous review by the Board. In view of the overall increase in the cost of housing which has taken place in recent years and of the importance of keeping such costs down, the Board must be careful to satisfy itself that such price adjustments are genuinely necessary and likely to promote additional production.

XII. RENTALS AND SHELTER

By contrast with the general trend towards the relaxation of wartime controls in 1945, the rental ceiling and other shelter regulations operated by the Board over housing were rigorously maintained. Indeed the shortage of housing and commercial accommodation became more acute and the existing safeguards against the eviction of tenants had to be strengthened during the year. However, towards the end of the year several steps looking towards eventual decontrol were taken in the field of commercial accommodation.

The reasons for the aggravation of the housing shortage are fairly obvious. Many families have been "doubling up" during the war years and, with the return of husbands and fathers, now wish to establish separate households. The high wartime marriage and birth rates created an additional pressure on housing accommodation. Moreover, many householders

who, due to patriotic and other reasons, had opened their homes to accommodate strangers, wished to return to normal living conditions. At the same time, while the earlier movement of population towards the industrial centres of the country has ceased, the movement of people out of these areas back to the small towns and to country districts has not yet been substantial.

On the other side of the picture, the shortage of houses is aggravated by the low level of construction activity in the 'thirties. Even in 1945, when the level of housing construction was on a scale comparable to that of the pre-depression years, the volume of building was curtailed by a shortage of construction materials and building labour.

In these circumstances, firm control over rentals was essential if drastic increases were to be prevented, and no basic change in policy or general increase

in rates was made during the year. The Rentals Administration of the Board continued to administer the provisions of the regulations concerned with the fixing and authorizing of maximum rentals of houses, apartments, flats, rooms and shared accommodation generally, and of commercial accommodation. This included the usual substantial number of hearings and inspections which are involved in providing a workable, equitable and flexible system of rental and eviction control. At the same time, it was necessary in the middle of the year to provide additional protection to tenants against the possibility of eviction, recognizing that no advantage and a good deal of distress to the community would result from a situation where tens of thousands of tenants would be displaced without any prospect of finding alternative accommodation. A further extension of the emergency shelter program, which had been inaugurated late in 1944, was also undertaken by the Board in 1945, at the request of the Government.

A. EVICTION CONTROL

Since the time when a nation-wide system of rent control was first introduced in 1941, eviction control has been closely associated with the rental regulations. Eviction control refers to the regulations of the Prices Board which give the "well-behaved" tenant an extra-contractual protection against dispossession by denying the landlord the rights to which he would be entitled under the lease, or under provincial law. Such protection is designed to reduce or prevent, as far as possible, the disturbance and distress involved in evictions at a time when alternative housing accommodation is almost non-existent, and to prevent evasion of rental ceilings. The scope of such protective regulations had been varied from time to time during the previous three years as conditions changed and as the Board's experience in handling the problem increased. During the first half of 1945 the existing regulations were such that a landlord wishing to secure possession of his property could do so in certain circumstances on giving the tenant at least six months' notice.* The right of eviction in monthly or weekly tenancies was subject to the further provision that the tenant could not be evicted between September 30 and April 30 of the follow-

ing year. In the case of a single dwelling, the landlord could obtain possession of the accommodation if it was needed as a residence for himself or for some member of his family. In the case of a multiple dwelling, the landlord could obtain possession of one residential unit on giving at least six months' notice, so long as the accommodation was needed for himself. Tenants of shared accommodation (rooms, flats, etc.) enjoyed substantially similar protection.

This was the position with respect to eviction control in the first half of 1945. However, the shortage of housing during this period became progressively more serious; at the same time, rented dwellings were being sold in large numbers for early occupancy by the purchasers. In line with this trend the number of notices to vacate given by landlords desiring the accommodation for themselves or for some members of their families continued to mount. By the early summer the prospect of widespread evictions in all the larger centres of Canada and, indeed, in almost all areas had created a serious social problem. In the city of Toronto alone there were some 3,500 notices to vacate maturing in the three summer months; in Vancouver there were 1,100, in Winnipeg 700. Many of these notices to vacate had been served upon families or dependents of servicemen, a great number of whom were still overseas and obviously not in a position to seek alternative accommodation. In any case, it was recognized that alternative accommodation for the many thousands of people involved across Canada simply did not exist. It was clearly necessary to take action to prevent needless suffering and inconvenience. The Government, therefore, instructed the Prices Board to extend the existing system of eviction control by imposing a complete "freeze" upon all leases covering housing accommodation.

This was accomplished by Board Order 537, issued on July 25, which postponed for an indefinite period the powers of a landlord to exercise his rights with re-

* Leases can also be terminated on three months' notice where the intention is to subdivide the property so as to accommodate more persons. It should be added that the system of eviction control and the protection given to tenants has never applied to a tenant who does not pay his rent, who is "obnoxious", or who breaks a material provision of his lease.

spect to the eviction of a well-behaved tenant of any self-contained dwelling in those cases where a landlord might formerly have obtained possession after a six months' period of notice. At the same time, all outstanding notices to vacate were suspended, although in such cases special provision was made for the Court of Rental Appeals to restore the right to obtain possession upon appeal by the landlord. Such appeals were given a special hearing attended by both landlord and tenant, and the decisions of the appeal judges were based upon an assessment of the relative burden of hardship involved. It should be noted that this more complete form of eviction control applies only to self-contained housing accommodation; it does not apply to the occupants of rooming houses, or light-housekeeping rooms, etc., where the problem of dispossession was not so serious. In the case of such shared accommodation the landlord may still obtain possession upon giving six months' notice to vacate, and provided that the accommodation is needed for an extension of his personal residence.

It was recognized that the total "freeze" on existing tenancies would create hardship for many landlords, particularly those who had purchased property for their own occupation and who were precluded by the new order for the time being from obtaining possession under virtually any circumstance. With this in mind, and before drawing up the present regulations, the Board considered the possibility of confining the proposed extension of eviction control to a more limited group of landlord-tenant situations. However, in view of the interlocking nature of most moving arrangements, it was decided that nothing short of a complete "freeze" was practicable. The one exception related to discharged service personnel, who continued to receive the special exemptions from the regulations accorded to them several months earlier.

These special regulations, issued in May, 1945, governing the acquisition of accommodation by returned service personnel, were designed to meet the problems of (a) the veteran who had rented his own home to someone else when he joined the armed services; (b) the veteran who, prior to his enlisting, had occupied accommodation, owned by an im-

mediate member of his family, and which had been rented since to another tenant; and (c) the veteran with a near relative owning a multiple family dwelling, and where the relative is willing to allow the veteran to occupy one unit of the dwelling in question. Where such circumstances exist the veteran was entitled to occupy the property. In the case of shared accommodation or of a single family dwelling, the tenant could be dispossessed in favour of the veteran on three months' notice. For an apartment or duplex, six months' notice was necessary, with the further proviso that the notice must not terminate during the winter months (i.e., between September 30 and the following April 30). It was believed that these special provisions were equitable and would enable many former members of the armed services to acquire housing accommodation in reasonably short time. It was recognized, of course, that this answer to the housing problem of certain veterans would be achieved in most cases at the expense of the former tenants.

The decision to extend eviction control to the point of "freezing" virtually all housing leases more or less indefinitely involves a drastic interference with the normal rights of the property owner, and a cause of grave inconvenience to many people who purchased their own homes in the first half of 1945. As such it can only be justified as an emergency measure designed to avoid the possibility of even greater dislocation and social distress. It was recognized as a temporary measure intended to mitigate a difficult situation caused by the housing shortage. Since the net effect, in many cases, has been simply to shift the burden of hardship from the tenant to the owner, it is admittedly a choice of the lesser evil. The only real solution to the problem lies in increasing the supply of housing until it is more nearly in balance with public needs.

B. OTHER REVISIONS OF EVICTION CONTROL

In February, 1945, the provisions of eviction control were extended so as to apply to shared accommodation in certain areas where this type of shelter had been formerly exempted from such control. In certain Eastern cities (including

Halifax, Montreal, Quebec and Kingston) the Board had previously worked out a special system for registering and fixing rents for all types of shared accommodation. Since rental ceilings were safeguarded by this system of registration eviction controls had not been made applicable to these areas. As the housing situation worsened, however, some operators of shared accommodation tended to exploit the position of tenants and roomers by demanding higher-than-ceiling rentals, and threatening to evict those who were unwilling to agree to this course. Consequently, it was decided to give tenants in these areas the same protection against eviction as the occupants of shared accommodation in other areas enjoyed.

At the same time, steps were taken to overcome a difficulty which had arisen in connection with public campaigns to induce householders to rent spare rooms. With eviction control in operation, prospective landlords hesitated to open their homes for fear of not being able to get rid of an undesirable tenant. The regulations were therefore revised to include incompatibility as grounds for the termination of a lease. At the same time, the procedure involved was speeded up. It was also felt that these changes would meet the needs of those who had already shared their homes on appeal from the Board and other agencies.

Another revision of the eviction provisions was made in February, 1945. Up to that time it had been possible to secure possession of housing space from a tenant in those cases where the landlord planned to subdivide the property into additional dwelling units. The revision provided that notices to vacate could only be given where the plans of the landlord were such that the total number of people to be housed under the new arrangement would be larger than formerly, and provided that each new unit would consist of at least two rooms in addition to a kitchen and a private bath. These provisions have made it extremely difficult to secure possession under the subdivision clause except where a genuine overall advantage to the community is served. Thus a rooming-house can no longer be carved up into apartments designed to hold fewer people than the number who would be displaced.

As discussed later, some municipalities found it necessary to take over premises not previously used as housing and convert them into temporary shelter for homeless families. It was considered desirable that these municipalities should be permitted to fix the rent to be charged for such temporary accommodation, and to be free to make their own arrangements for the termination of leases so as to provide for the more frequent turnover of tenants. Accordingly, the rental and eviction regulations of the Board were revised to exempt all municipal, provincial and federal leases.

Ever since the first measures of eviction control were introduced in 1941, landlords and tenants have been entitled to transform a term-certain lease into a monthly one when the term-certain lease expired. During the war years, many landlords did not bother to take advantage of this right. But with the end of the war the possibility that eviction and rental controls might be relaxed, or removed led some landlords to transform term-certain leases to monthly tenancies in order to put themselves in a position where they could obtain vacant possession or increase rentals as promptly as feasible. This situation gave rise to a good deal of public concern, and to the fear that an early lifting of eviction controls was contemplated. Public announcements emphasized the fact that the government has no intention of abandoning the restrictions against eviction so long as the present acute shortage of housing continues.

C. EMERGENCY SHELTER

Late in 1944 the Federal Government found it desirable to collaborate with municipalities and with voluntary local agencies experiencing difficulty in providing temporary quarters for those urgently in need of shelter. It was recognized that there were special problems peculiar to each area and that the co-operation of the local groups affected was essential to the success of any plan. For this reason the regulations adopted by the Board under its new powers to "co-ordinate all activities relating to the transfer of population into such (congested) areas and to the control and use of available shelter therein" as outlined in P.C. 9439 were made applicable only to municipalities which sought the Board's assistance.

The procedure adopted was to designate certain areas as "congested areas", and to appoint Emergency Shelter Administrators for such designated areas. In each of these areas a permit system was established. Thereafter, permits were required by all persons before they could move into family accommodation. People from outside the area were not given such permits unless their services could be regarded as essential to war industry or the production of essential civilian goods. People already living within the area were usually given permits without question, although in many cases the size of the accommodation that could be occupied was limited, a stipulation which had the effect of avoiding much unnecessary moving. Housing Registries, which had been operated by the Board in co-operation with various local bodies, were taken over by the Emergency Shelter Administrations and established as centres of a co-ordinated community effort to secure the maximum family shelter from existing accommodation. In the first six months, at the request of the municipalities, Emergency Shelter Administrators were appointed for Ottawa, Vancouver, New Westminster, Victoria, Toronto, Hull, Hamilton and Winnipeg. The local authorities in Montreal, which had originally been named a congested area, decided not to join in the scheme.

A further development, a registration of summer cottages and vacant dwellings, took place in Ottawa, Hull, Hamilton, Winnipeg, and the Vancouver-New Westminster area. In addition, special surveys of other available space were conducted. Owners of vacant accommodation were interviewed and many were persuaded to make these available for occupation by families in need of homes. In a few cases where owners without adequate reason refused to make such properties available, the powers of the Administrator were exercised and the owners directed to make the premises available for occupancy. Some hundreds of houses, which would otherwise have remained vacant, were brought into use by these means.

By the fall of the year it became necessary to abandon the system of permit control over shelter. The cessation of hostilities and the resultant increase in the rate of demobilization inevitably gave rise to a flood of requests

for permits to occupy housing space in the larger congested areas. It had been necessary to permit exceptions to the general rule so as to allow a discharged serviceman to occupy family quarters in any area in which he could secure employment. By the same token, it became necessary to grant permits to seek shelter to war workers who had been laid off, and whose availability for employment in other centres was dependent upon their ability to find housing accommodation in the new place. In the face of this pressure the permit control was discontinued in September.

The other functions of the Emergency Shelter Administration, however, were extended and the organization was expanded to cover the entire Dominion. By September 15, every province had been declared an Emergency Shelter area and Emergency Shelter Officers appointed for the various Regional Offices of the War-time Prices and Trade Board. The duties of the shelter officers were primarily to assist the municipality to cope with its local housing problems, based upon the fact that the Shelter Administration possessed certain emergency powers which were not possessed by the local authorities. These officers paid particular attention to problems facing individual families especially those of returned servicemen.

At the end of 1945, the Government, in order to co-ordinate the efforts of all the existing federal housing activities transferred responsibility for the Emergency Shelter Administration from the Wartime Prices and Trade Board to the newly established Central Mortgage and Housing Corporation.

D. COMMERCIAL ACCOMMODATION

As far back as the fall of 1943 a preliminary step in the decontrol of rentals was attempted when the eviction controls operative at that time were lifted from commercial accommodation. However, by the beginning of 1945 the shortage of space and the development of abuses made it necessary to reimpose the former restrictions and, in certain respects, to strengthen them. The period of notice to vacate to be given to a tenant of

commercial accommodation was progressively lengthened to six months. In addition, limitations were placed upon the considerations which entitled a landlord to repossess any accommodation for expansion purposes.

Another revision of the regulations gave the landlord the right to require his tenant to renew the lease for a term not longer than the term of the expiring lease, and in no case longer than five years, on pain of forfeiting his tenure at the expiration of the existing lease. A further revision restricted the freedom of a property owner to acquire space from his tenant in order to expand his own business. Henceforward, he could obtain possession only in those cases where the landlord himself was forced to vacate the premises presently occupied by him.

By the end of 1945 circumstances had changed once more and it was deemed necessary to provide more flexibility in the administration of eviction control over commercial accommodation. The end of the war and the beginning of reconversion created certain new problems. Accordingly, a new code was drawn up defining the circumstances which would entitle a landlord to obtain the repossession of his own property or space from a tenant, notwithstanding the general restrictions against evictions. In such cases repossession would be achieved by making the normal provisions of the lease operative once more.

The code or list of circumstances in question defined some twelve situations which, if approved after the hearing of the application, would restore to the landlord his normal rights with respect to the termination of commercial leases. The most important of these is the case where the new occupant of the property will be able to make a better use of the land (e.g. the replacement of a parking lot by a substantial building). Some of the other criteria laid down in the code are as follows: where the new occupant will be able to provide substantially more employment of a permanent character than the existing tenant (the reference to permanent employment rules out the additional employment given to building labour, etc. by the alteration or rebuilding of the property); where suitable alternative accommodation is available for the tenant; where the landlord is a hospital or charitable institution which

requires the accommodation for its own purposes; where the landlord or his son formerly conducted a business which was interrupted as a result of wartime conditions (e.g., enlistment in the armed services; shortage of supplies) and now wishes to re-establish himself in business in his former quarters. The administration of this code devolves upon the Rentals Administrator and the regional Deputy Administrators. Hearings at which both landlord and tenants are present or represented by counsel are held at numerous centres across Canada, each Deputy Administrator being charged with complete jurisdiction in his area. Already many hundreds of decisions have been made under this code which, it is believed, have assisted materially in promoting the expansion of peacetime enterprise.

A beginning was also made late in 1945 looking towards the ultimate removal of rental ceilings on commercial accommodation. Order 583 provided that, if a landlord and an existing tenant, who, under the rental regulations is protected against eviction, are both willing to enter into a new lease for a period of at least five years, they may establish without any approval being necessary, any rate of rental agreeable to both parties, so long as there is no sales clause or similar provision in the lease providing for its predetermination before its normal expiry date. Commercial leases in normal times frequently run for a number of years, and the rental agreed upon tends to be based upon economic prospects in general as well as upon shorter-run considerations. Thus, where long-term leases are involved, the relative bargaining position of landlord and tenant is often less unequal than in the case of short-term leases. In any case if the tenant does not wish to enter into a five years' lease he is entitled to continue the tenancy on the existing basis, with the full protection of the existing eviction controls.

Early in 1946 some concern was expressed by the tenants of commercial accommodation in certain cities when landlords began to exercise their rights with respect to the termination of term-certain leases and their replacement by quite short-term leases. Taken in conjunction with the provision referred to above for voluntary agreements covering increases in rentals this action created

some apprehension regarding the intentions of the government with respect to rent control in the commercial field. Again it had to be emphasized in public statements that the revisions in question were designed to introduce rather more flexibility and equity into the regulations affecting rental rates and tenancy arrangements, and did not in any way imply an early removal of controls.

E. CONVENTION AND HOTEL ACCOMMODATION

Because of the crowded condition of hotels, particularly in Montreal, Ottawa, Toronto and Vancouver, the Board entered into an agreement with the principal hotels in these cities in March, 1945, whereby they undertook not to use more than 10 per cent of their sleeping accommodation on any one night for persons attending conventions and to assign rooms to such persons on a multiple occupancy basis only. In addition, the hotels agreed in future to accept bookings for conventions on a tentative basis only, so that they might be cancelled should conditions warrant. The hotels also promised not to accept reservations for conventions which, under United States regulations recently introduced could not be held in that country. The announcement of these regulations was completed with an appeal to the public to refrain from unnecessary travel. In Halifax, where the congestion in hotels was also great, the Wartime Administrator of Atlantic Ports had already entered into an agreement with the principal hotels which was designed to produce similar results.

In June, because of the normal seasonal increase in travel and the accelerated rate of return of the armed forces, conditions became so acute that the Ministers of Finance and Munitions and Supply issued a joint appeal to hotels and the public to cancel all conventions between June 20 and July 20 and to the public to avoid railway travel during that time. In addition the Board instructed the hotels which had agreed to book conventions on a tentative basis only, to cancel all conventions between these dates.

As the end of this period approached it became clear that it was desirable to extend the ban on the holding of organized meetings of large numbers of people. Accordingly the holding of organized meetings, in those cases where more than fifty persons would need to use rail, bus or air transportation for any part of their journey to the place of the meeting, was prohibited in late July. The exemption of meetings of less than fifty persons, it was felt, would permit the holding of skeleton meetings to transact essential business. In addition, hotels in Halifax, Montreal, Ottawa, Toronto, Hamilton and Vancouver were prohibited from using more than 10 per cent of their sleeping accommodation on any one night for persons attending organized meetings or for members of organized travel groups. All restrictions over the holding of conventions were lifted on the 1st day of November as it was anticipated that the normal seasonal decline in travel made their retention unnecessary.

XIII. CONSUMER CREDIT

After the changes in the Consumer Credit regulations made in January, 1945,* there were no further amendments during that year. Early in January, 1946, a revision was made to allow returned servicemen to obtain the full advantage of the re-establishment credits payable to them in the purchase of furniture and household equipment. The main provisions of the regulations remain one-

third cash down payment on the sale of most consumer goods, with from six to fifteen months' credit period on the balance depending on the type of purchase and on the amount financed, and a prohibition on purchases on charge accounts in default.

In the fall the Board undertook the fourth of a series of surveys of the transactions of a number of retail outlets

* Described in W.P.T.B. Report Jan.-Dec. 1944, p. 42.

which do an extensive credit business. The result of the survey showed that cash sales continued to form an unusually high proportion of total sales. The general trend towards cash payments since 1941 reflected the high level of purchasing power, a shortage of supplies and the effect of the consumer credit regulations.

However, by the middle of 1945 the

trend towards cash sales, which had been so marked from 1941 to 1943, had been slowed down. During the period January-June, 1945, only the furniture and clothing store groups showed a further increase in the proportion of cash sales, while department, fur and jewellery stores showed little change from the same period of the previous year.

Type of Store	Proportion of Cash Sales to Total Sales				
	1941	1942	1943	1944	1945
	(January—June)				
	%	%	%	%	%
Department.....	58	65	69	71	71
Clothing.....	53	60	62	63	65
Fur.....	28	30	29	31	30
Furniture.....	20	30	37	40	45
Jewellery.....	55	63	66	72	71

Instalment sales continued to constitute a much reduced proportion of total sales though the sharp decreasing tendency of the earlier war years was arrested in 1945. Except in the furniture group, where there was a further significant decline, the changes in the relative

importance of instalment sales were small, and in these cases slightly upward as might have been expected when a number of items normally bought on the instalment basis were beginning to return to the market.

Type of Store	Proportion of Instalment Sales to Total Sales				
	1941	1942	1943	1944	1945
	(January—June)				
	%	%	%	%	%
Department.....	15	10	8	7	7
Clothing.....	21	14	14	11	12
Fur.....	45	44	45	37	39
Furniture.....	66	53	44	40	32
Jewellery.....	11	6	6	4	5

During the period from 1941 to 1945, the total sales of the reporting stores increased by 36 per cent: their cash sales were up by 81 per cent, while their instalment sales were down by 41 per cent. The accounts receivable of the firms covered by the survey decreased by 56 per cent over the whole period and the instalment portion declined by 75 per cent.

The proportion of charge accounts to total sales in the combined group of stores remained fairly stable over the four years but showed variation between the different types of stores. In furniture stores the proportion increased from 14 per cent to 24 per cent while in jewellery stores it declined from 34 per cent to 24 per cent and in department stores from 27 per cent to 22 per cent.

XIV. ENFORCEMENT

Enforcement activities necessarily centre on that small section of the public which innocently, negligently or deliberately infringes the regulations and orders administered by the Board. However, the attitude of the general public towards economic controls is frequently reflected in the favourable or unfavourable comments which flow from enforcement action. The policy adopted by the Board towards suspected or provable infractions has therefore a direct bearing on the general acceptance by the public of economic controls and the application of this policy has been and will continue to be a matter of growing importance to the Board during the period of decontrol.

The enforcement policy of the Board after the end of the war remained substantially unchanged. Had it been modified so as to restrict Court proceedings to the exceptionally flagrant cases, this undoubtedly would have provoked unfavourable criticism from the vast majority of citizens. Most people appreciate the fact that all restrictions born of the exigencies of war could not be abandoned immediately after the cessation of hostilities and, in their own interests, and in the public interest, were ready to comply with the restrictions that remained. In dealing with offences that have been disclosed, the Prices Board has continued its efforts to ensure that Court proceedings are not taken where the offence is trivial or technical or where prosecution is unwarranted. It can safely be said that this policy has been justified and that in general the Courts, the press and the public have continued to support the Board's efforts to secure compliance with its regulations.

The modification or removal of certain controls during 1945 did not materially reduce the volume of enforcement activities. The majority of those regulations enforced on behalf of Controllers of the Department of Munitions and Supply were revoked during the latter half of the year but of those orders the ones which required the most intensive efforts were the orders of the Oil, Rubber and Transit Controllers, and in these cases the bulk of the investigational work

was efficiently handled by the police forces. The Enforcement Administration of the Board has continued to concentrate its efforts and its limited staff on the price and rental ceilings and on consumer rationing. In none of these fields was there any relaxation of controls in 1945, apart from the removal of farm machinery rationing. In fact, additional responsibilities were shouldered when meat rationing and slaughtering controls were re-introduced shortly after gasoline rationing was lifted. This involved a reorganization of field staff and the employment of additional investigators with knowledge of the meat trade. It also resulted in a substantial overall increase in the volume of work both at the regional offices and at headquarters in Ottawa.

In the field, a large proportion of the investigational work consisted of regular surveys and spot-checks, largely at the retail level, designed to check compliance with ceiling prices of food and clothing items and with the food rationing orders. There was also a steady flow of complaints to be followed up. For example, rental complaints from tenants and complaints on all manner of other subjects were brought to the attention of the regional enforcement counsel by commodity and trade Administrators and other Board officials. The average number of enforcement investigations made throughout Canada (including investigations made on behalf of Controllers) has been in the neighbourhood of 35,000 monthly.

More difficult and exacting were the investigations of a highly specialized nature into black market transactions, for serious black market operations, frequently of an organized nature, existed in certain commodities. The most pressing problem was the appearance of counterfeit sugar ration coupons on a wide scale. Counterfeit butter ration coupons also appeared but on a much smaller scale. Certain types of counterfeit coupons were almost indistinguishable from genuine coupons. This made detection difficult but the laborious task of tracing suspected coupons to their sources and of

establishing their invalidity was in a great many instances successfully accomplished by the R.C.M.P. and the coupon audit centres set up in the larger cities by the Ration Administration, both organizations working in conjunction with the Board's special investigators. The operators of two printing presses were apprehended by the police and prosecuted, and the volume of prosecutions of merchants who had obtained replenishments of sugar and butter stocks by negotiation of counterfeit coupons acquired from illicit sources, was heavy in relation to the total volume of prosecutions for offences of all kinds. These are the types of case in which substantial deterrent penalties are required for, if counterfeit coupons were to continue to circulate on an increased scale, the whole food rationing system might easily break down.

The tendency for used cars to be sold at prices in excess of the ceiling, which became apparent during 1944, showed little sign of abating during 1945 and seems unlikely to diminish until the supply of new cars becomes substantial. Although the seller and the buyer are required to report each transaction and to disclose the sale price to the Board, the parties often falsify the report, the seller accepting an additional sum of money from the purchaser. Apart from purchasers who are subsequently dissatisfied with the condition of the cars they illegally acquired, neither party to such a transaction is likely to disclose the true facts to the Board. In other fields prosecutions have usually been confined to those who sold at higher-than-ceiling prices. In the case of used cars this practice had to be modified and prosecutions of purchasers have been more frequent, particularly when a fraudulent transaction has been brought to light only through the ingenuity of the Board's enforcement officers or the police forces.

The demand for textiles and clothing of all kinds still so far exceeds the available supply that the black market tendencies reported in 1944 continued to exist in 1945. Underhand transactions between unscrupulous jobbers and retailers were brought to light from time to time and resulted in prosecutions. However, as in any other black market

transaction, it is difficult to collect the evidence and equally difficult to obtain adequate information on which to initiate an investigation.

A black market in lumber had also developed. The Board therefore took steps to tighten the regulations so as to make infractions of the price ceiling more difficult, and in March, 1946, was able to take on a number of investigators skilled in the lumber business to aid in the enforcement of ceiling prices.

Since minor or unintentional infractions of the regulations are usually corrected without recourse to prosecution the number of prosecutions conducted during any year does not properly reflect the adequacy or extent of enforcement activities; nor can these figures be used as an accurate gauge of the degree of public compliance with the Board's regulations. The total number of persons prosecuted in 1945 for offences of all kinds under the regulations was, in fact, slightly higher than in 1944 and considerably higher than in 1943 or 1942. Of the prosecutions in 1945, the cases involving sales at unlawful prices exceeded the aggregate of the prosecutions for rental offences, rationing offences and other miscellaneous types of offence. However, the conclusion should not be drawn that public acceptance of the Board's regulations, and particularly of price control, is dwindling. The experience of the Enforcement Administration is that the public, and the business community in particular, is still as a whole co-operative in supporting the work of the Board.

The Enforcement Administration has continued to act as an enforcement agency for the Controllers of the former Wartime Industries Control Board (who are now responsible to the Minister of Reconstruction and Supply). By the end of 1945, practically all the orders of the various Controllers had been revoked, with the exception of the motor vehicle rationing orders of the Motor Vehicle Controller. On the revocation of a Controller's orders, all pending prosecutions were reviewed and those which did not involve flagrant or deliberate infractions were abandoned. This was in accordance with the general policy adopted in 1944 by the Prices Board towards offences against its own repealed orders.

XV. BOARD ORGANIZATION

The general structure of the Board's organization remained unchanged through the year 1945. It was fully described in the Annual Report for 1944 (pp. 44-47). However, as foregoing chapters of this Report have indicated, the end of the war, first in Europe and then in Japan, resulted in important changes in the activities of various sections of the Board and these changes were reflected in the staff. The Head Office staff of the Board declined slightly during the year and similar reductions appeared in the staff of a number of the commodity Administrations located in Toronto and Montreal. On the other hand, the Board undertook during the year a number of additional responsibilities. Some of these required substantial additions to personnel not only at headquarters but also in Regional and Local Offices across the country. The most important of these was the re-introduction of meat rationing. The newly-established Emergency Shelter Administration also required the employment of a country-wide staff. The Board was also called upon to provide regional and local staff to supervise the issuance of permits to priority purchasers of new motor vehicles on behalf of the Department of Munitions and Supply.

During the latter part of 1944 and throughout 1945, the Board revoked a very large number of controls over production and supply; in all about five out of every six such controls had been rescinded by the end of the year and some others were revoked early in 1946. In the main, however, these were not controls which required much administration. Thus, an order saying, in effect, "No washing machines may be produced" did not need a staff to administer it. On the other hand, some of the new restrictions which were introduced (meat rationing, etc.) needed large staffs all across the country. Hence, on balance, the increase of staff despite decontrol. This tendency was accentuated because some restrictions, e.g., tire rationing, needed more administration as supplies began to get somewhat easier.

As a result of all these changes, the Board's staff increased by about 10 per cent, reaching a peak in October (5,726) after which it began to decline somewhat. The whole of the expansion occurred in the Regional and Local Offices where the increase of work-load was by far the heaviest. On December 31, 1944, the Board's staff numbered 5,102 of whom 3,121 were attached to Regional and Local Offices. By the end of 1945 the staff numbered 5,678 of whom 3,697 were attached to Regional and Local Offices (including the staff of the Emergency Shelter Administration stationed in Regional Offices).

At times during the year the Board was very hard put to it to find staff to meet the increasing responsibilities with which it was entrusted. However, the Board maintained a vigorous policy of "veterans' preference", and difficulties regarding recruitment noticeably decreased towards the end of the year as a result of the demobilization of the armed forces. Nevertheless, the loss of key personnel, which was mentioned in last year's Report, continued throughout the year and was intensified after victory in Europe and Japan. This trend is inevitable in that the Board, being a temporary organization, cannot offer any permanent employment to its employees.

At the end of the year, partly as a result of loss of senior personnel, three Head Office Divisions—the Supply Division, the Distribution Division and the Industrial Division—were discontinued. Their residual responsibilities were transferred either to other Head Office Divisions or to Co-ordinators and Administrators. Arrangements were also made to transfer all responsibility for Emergency Shelter, together with almost all the staff concerned, to the Central Mortgage and Housing Corporation. As a result of the transfer of Emergency Shelter and the abandonment of tire rationing and other economies, Regional and Local Office staff will probably decline by more than 300 in the first few months of 1946. In addition twenty-nine Local and five Sub-Local Offices will have been closed during the year ending March 31, 1946.

Special attention was given by the staff of the Board to the problems of veterans arising out of the licensing of new businesses and the acquisition of supplies of various scarce goods. It was to be expected that former members of the armed services who planned to resume business, or to start up in business for the first time, would encounter some difficulties arising from the operation of war-time economic controls. To make certain that they would have access to proper advice and assistance with respect to the matters under regulation by the Board a special officer was appointed at Headquarters to help resolve any such difficulties, to act as a liaison with the field staff of the Board in connection with veterans' problems and and to collaborate with the rehabilitation officials of the Department of Veterans' Affairs.

The voluntary organizations associated with the Board through the Consumer Branch were more active than ever in 1945, and the Board is greatly indebted

to such agencies for their assistance in preventing inflation. Co-operating with the Board there are now some 16,000 voluntary liaison officers drawn from the various women's organizations, about 1,600 labour liaison officers representing local trade union organizations and about 500 women representing rural organizations. Through these representatives the viewpoint of consumers on matters for which the Board is responsible is brought to the attention of the Board and information regarding Board activities and regulations affecting consumers is passed on to the public. The Price Study Panels in which housewives report monthly on prevailing community prices are now established in 167 communities. Towards the end of 1945 the various Re-make Centres which had been established during the last few years to help housewives during the textile shortage were finally closed down, but the need for the conservation of clothing, etc. continues to be emphasized throughout the organization.

XVI. PRICE MOVEMENTS—AUGUST, 1939 TO DECEMBER, 1945

A. GENERAL REVIEW

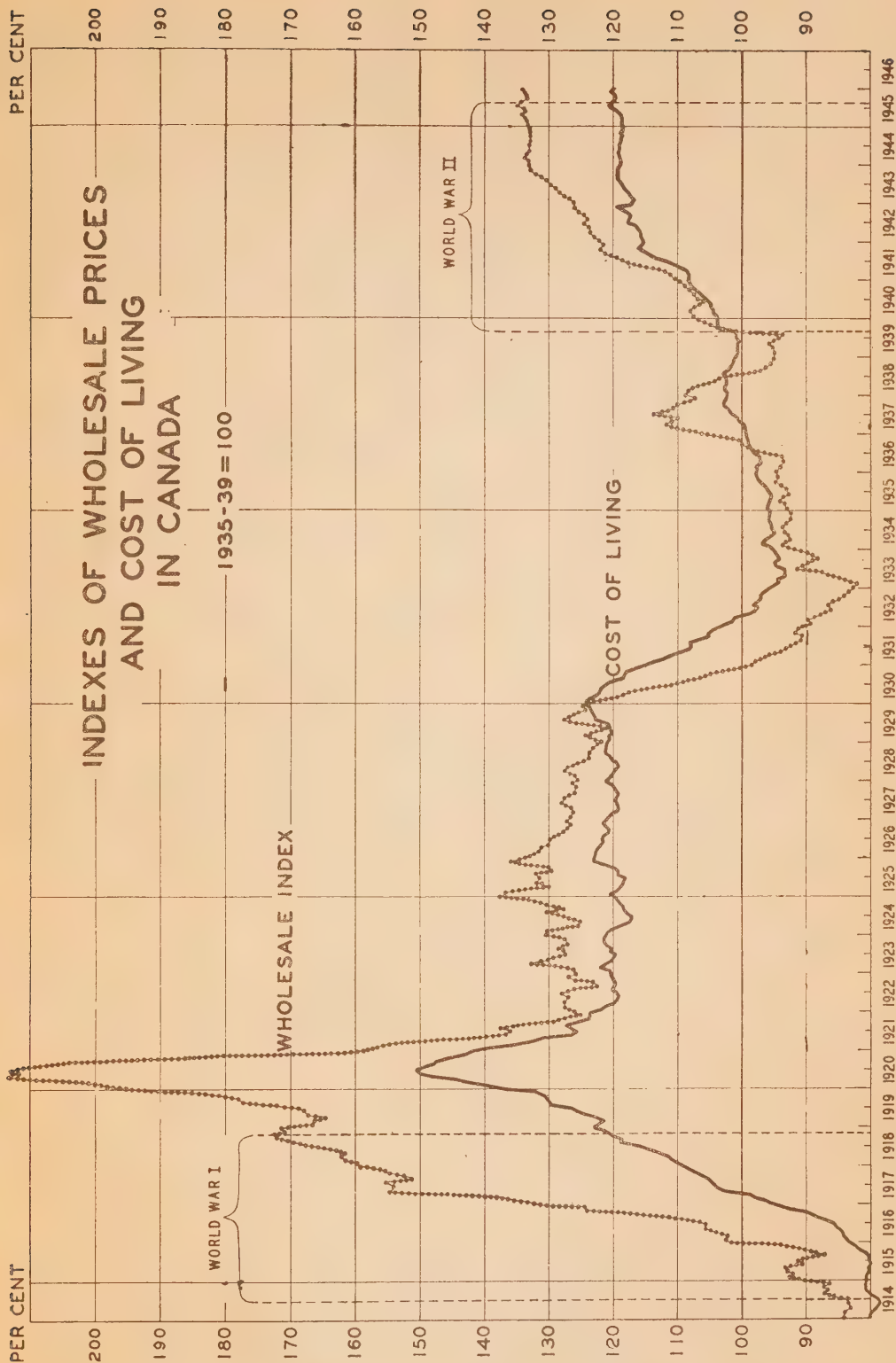
Price movements during 1945 were confined to relatively small changes which did not greatly disturb the general price structure prevailing during the previous year. However, as a consequence of increasingly heavy demands and continued limitations on supply, there was much more evidence during the year of

prices holding close to or tight against ceilings. This was particularly noticeable in the prices of food products, supplies of which were considerably shorter, relative to the demand, than in the previous year. These influences were responsible for the small increases which occurred in wholesale prices and in the cost of living index.

INDEXES OF PRICES IN CANADA, AUGUST, 1939 TO DECEMBER, 1945
(1935-39=100)

Index	August, 1939	December, 1944	December, 1945	Percent Change Aug. '39 to Dec. '45
General Wholesale Prices.....	93.8	133.4	134.1	+42.9
Farm Product Wholesale Prices.....	81.6	145.8	148.5	+82.0
Cost of Living.....	100.8	118.6*	119.9*	+18.9

* Cost-of-Living Index as of the second of January.



With reconversion an immediate problem and with future prospects bright for renewed international exchange of goods, attention was focused during 1945 on the current level of prices in Canada in relation to pre-war and to current price levels in other countries, particularly the United States. By December, 1945, Canadian wholesale prices had risen 34 per cent over the average level for the five pre-war years, 1935 to 1939. The increase in prices in the United States over a comparable period was slightly less, amounting to about 33 per cent.

When account is taken, however, of the fact that the Canadian dollar in 1945 stood at a discount of about 9 per cent as compared with the base period, and of certain technical differences in the two indexes, it can be said that the Canadian price level at the end of 1945 was lower than that of the United States in terms of the pre-war relationship. It will also be noted that the cost of living index in Canada shows a considerably smaller wartime increase than the United States index.

INDEXES OF PRICES IN CANADA AND THE UNITED STATES
(1935-39=100)

Index	August, 1939	October, 1941	May, 1942	December, 1945
General Wholesale—				
Canada.....	93.8	121.9	123.6	134.1
United States.....	93.1	114.7	122.6	132.9
Cost of Living—				
Canada.....	100.8	115.5	116.1	120.1
United States.....	98.6	109.3	116.0	129.9

B. COST OF LIVING CHANGES

At January 1, 1946, the official cost of living index stood at 118.9 on the base August, 1939=100, an increase of 1.2 points over its position at January 1, 1945. As will be seen in the two accompanying tables, the higher level of the

index at the end of 1945 reflects primarily changes in food prices, although the movement in prices among some of the non-food groups, particularly home furnishings and services and the miscellaneous items has been fairly significant.

POINT CHANGES IN MAIN GROUPS OF THE COST-OF-LIVING INDEX
(August, 1939=100)

	August, 1939 to October, 1941	October, 1941 to January, 1945	January, 1945 to January, 1946	August, 1939 to January, 1946
Food.....	24.1	7.0	2.6	33.7
Fuel and Lighting.....	13.2	-3.0	-2.0	8.2
Rent.....	7.1	0.8	0.3	8.2
Clothing.....	19.5	2.2	0.8	22.5
Home Furnishings and Services.....	16.3	0.9	1.2	18.4
Miscellaneous.....	5.1	2.7	1.7	9.5
Total.....	14.6	3.1	1.2	18.9

The increase in food prices during 1945 reflects a reduction in agricultural output from 1944 and an expanding domestic and external demand, particularly for such things as meats, eggs and dairy products. No basic revision in the ceiling

price structure for food occurred, but rather upward adjustments of prices toward ceiling levels already established. In the case of clothing and home furnishings, higher prices for the most part were attributable to the disappearance of

lower-priced lines for some types of goods. Such factors as higher hospital charges, barbers' fees, dentists' and doctors' fees and life insurance costs account for the increases among the miscellaneous items, while lower electricity rates in many cities and rebates on domestically consumed electricity in some, are

responsible for the overall decline in the index of fuel and lighting costs over the year. The relative importance of these price changes in their effect on the total cost-of-living index is conveniently expressed in the table of points added to the index by the component groups.

MOVEMENTS IN THE COST-OF-LIVING INDEX, AUGUST 1, 1939 TO JANUARY 1, 1946
(August, 1939=100)

Points added in Total Index by Component Groups

	August 1, 1939 to October 1, 1941	October 1, 1941 to January 1, 1945	January 1, 1945 to January 1, 1946	August 1, 1939 to January 1, 1946
Food.....	+7.38	+2.24	+0.83	+10.45
Milk.....	+0.49	-0.73	0.00	-0.24
Other Dairy Products.....	+1.56	+0.12	+0.10	+1.78
Eggs.....	+0.69	+0.05	+0.11	+0.85
Beef and Veal.....	+1.35	+1.45	+0.05	+2.85
Other Meats and Fish.....	+1.30	+0.74	+0.08	+2.12
Cereals.....	+0.42	+0.03	-0.01	+0.44
Dry Groceries.....	+1.01	-0.12	0.00	+0.89
Vegetables.....	-0.02	+0.25	+0.40	+0.63
Fruits.....	+0.58	+0.45	+0.10	+1.13
Fuel and Lighting.....	+0.79	-0.18	-0.12	+0.49
Rents.....	+1.41	+0.13	+0.02	+1.56
Clothing.....	+2.34	+0.26	+0.07	+2.67
Home Furnishings and Services.....	+1.48	+0.08	+0.10	+1.66
Miscellaneous.....	+1.20	+0.57	+0.30	+2.07
Total Change.....	+14.6	+3.1	+1.2	+18.9

C. WHOLESALE PRICE CHANGES

By the end of 1945 general wholesale prices in Canada had risen approximately 43 per cent above the level of prices in the last pre-war month. The most out-

standing increases among the various product classifications are to be found in animal and vegetable products, wood products and textiles. This is seen in the last column of the following table.

INDEXES OF WHOLESALE PRICES IN CANADA
(1935-39=100)

Group	August, 1939	December, 1944	December, 1945	Per cent Increase December, 1945 August, 1939
Vegetable Products.....	80.2	129.8	132.5	65.2
Animal Products.....	93.7	142.5	146.0	56.2
Textile Products.....	95.0	131.0	131.1	38.0
Wood Products.....	107.0	161.1	160.4	50.0
Iron and its Products.....	102.0	122.9	121.0	18.6
Non-ferrous Metals.....	95.8	109.2	111.8	16.7
Non-metallic Minerals.....	97.9	119.6	118.4	20.9
Chemicals.....	97.5	125.8	124.1	27.3
Total.....	93.8	133.0	134.1	42.9
Farm Products.....	81.6	144.3	148.5	82.0

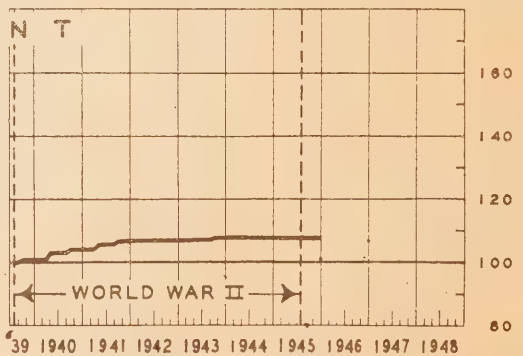
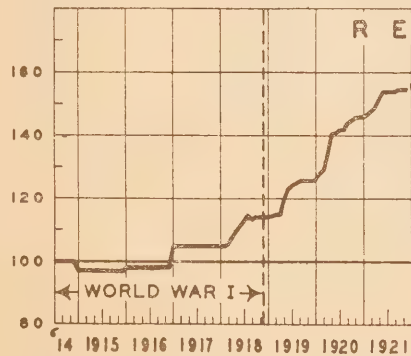
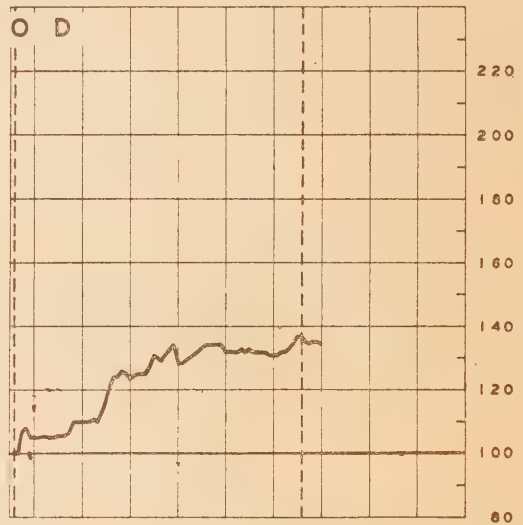
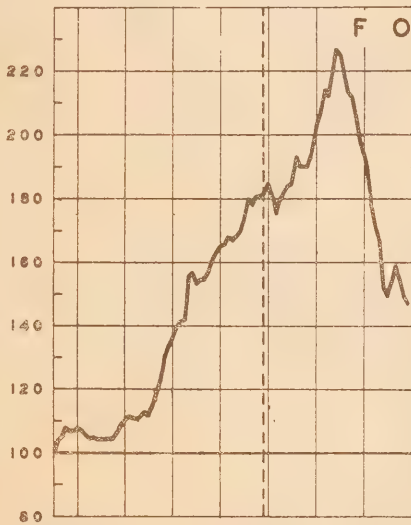
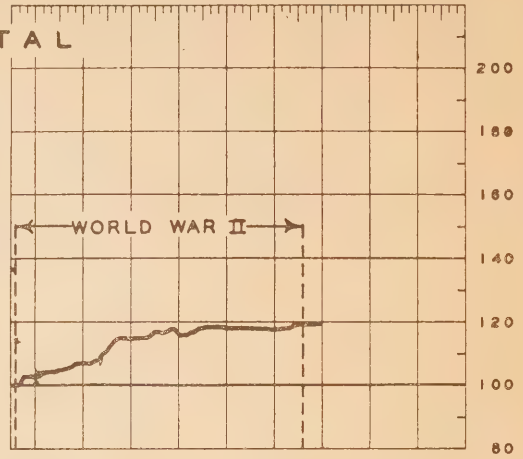
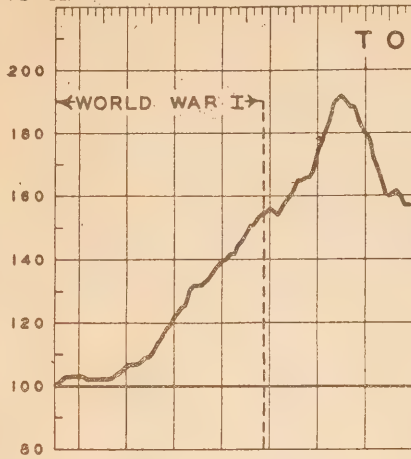
COMPONENTS OF THE COST OF LIVING INDEX

JULY 1914 TO DECEMBER 1921 (JULY 1914=100)

AUGUST 1939 TO DATE (AUGUST 1939=100)

PER CENT

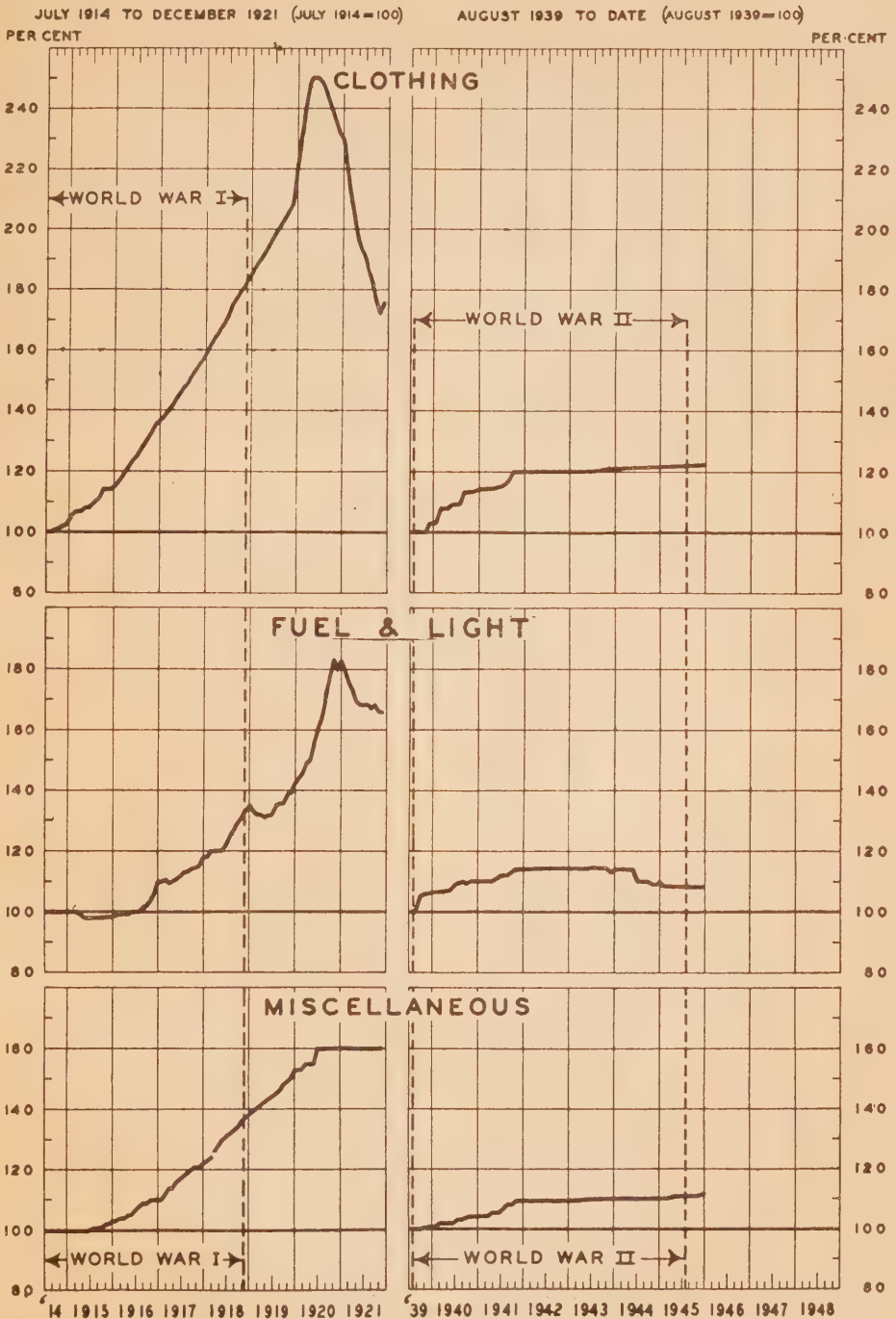
PER CENT



14 1915 1916 1917 1918 1919 1920 1921

39 1940 1941 1942 1943 1944 1945 1946 1947 1948

COMPONENTS OF THE COST OF LIVING INDEX



A more realistic view of current price relationships is gained by comparing the present level of prices with the average level in the five pre-war years 1935-39. It will be seen that at the outbreak of war, prices of Canadian farm products were depressed relative to prices of other goods. By December, 1945, however, war time increases in prices received by farmers (including subsidies) had advanced to a level approximately 49 per cent over the base years. This marked increase places present farm product prices in a position of highly favourable relationship to prices of goods generally, which are currently 34 per cent above the average of the pre-war years.

Although the level of general wholesale prices advanced over the year, prices in four of the eight groups recorded small declines on the average. Decreases in the wood, iron, non-metallic mineral and

chemical groups occurred mainly in response to the removal of the sales tax on building materials in May, 1945. The principal items in the index which were reduced in price as a result of the cancellation of the tax were lumber, structural steel, building stone, paints and paint materials.

The higher level of prices in most farm commodity markets is responsible for advances in the animal and vegetable group indexes and the farm products index over the year. Relatively poor growing conditions in 1945 were reflected in higher prices for vegetables while marked speculation on a short crop almost doubled the price of rye grain. Prices of furs were generally higher while livestock, butter and egg prices in December, 1945, were all slightly above their levels of a year earlier.

APPENDICES

The appendices are up to date as of March 1, 1946, with the exception of appendices G, H, and I for which the cut off date is December 31, 1945

APPENDIX A

GOVERNMENT POLICY ON PRICE AND WAGE CONTROL IN THE TRANSITION PERIOD

Statement by the Prime Minister

Right Hon. W. L. MACKENZIE KING

Ottawa, January 31, 1946

More than six years ago, just after the outbreak of war, the Government of Canada embarked upon a program to prevent soaring prices and to preserve order and efficiency in Canada's economic structure. The Government refused to accept the view that serious inflation and economic disorder were inevitable consequences of war. Our country may justly claim to have pioneered in the field of anti-inflation control. Because the people of Canada have whole-heartedly supported this stabilization program, a sharp rise in the level of prices has been prevented. Orderly economic conditions have been maintained through six years of the most destructive war in the history of mankind. The anti-inflation program has succeeded beyond the most optimistic hopes expressed at the time of its introduction. Canada's record compares more than favourably with that of any other

country in the world. In consequence, Canada faces the problems and readjustments of the postwar period in a relatively strong economic position. We have escaped so far the legacy of disruption and discontent which would have been the consequence of inflation.

The need has not yet passed for emergency measures to avert the threat of inflation and dislocation. Shortages both at home and abroad are still widespread and acute. The direct consequences of the war remain evident in many ways. At the same time, the conditions under which the stabilization program now operates have changed in a number of important respects. With hostilities over, the emphasis is on the progressive removal of emergency regulations. It is on the re-establishment, at the earliest feasible time, of a relatively free price and wage system.

The first objective of economic policy is a high level of employment and production. In working towards that objective Canada is seeking to reconstruct her trade on a peacetime basis. This changed atmosphere has its effect on the stabilization program. It is appropriate therefore to review the operation of the program in relation to the needs and circumstances of the readjustment period.

Over two years ago, in December, 1943, the Government announced certain important changes in its anti-inflation policy, particularly with respect to the relation between price and wage control. At that time, at the very peak of our war effort, it was stated that, should the cost of living rise more than 3 per cent and remain at that level for two consecutive months, the Government would review the whole program of price control and wage control and take appropriate action. Fortunately, there has been no need to review the policy for this reason, since in the intervening period the cost of living has risen by less than one per cent. In view of the changed conditions which we face to-day, the time has come to take appropriate steps in the direction of readjustment to more normal conditions.

Adjustment of Stabilization Program to Changing Conditions.

The steps, which concern both price and wage control, have been thoroughly considered. They represent no weakening in the Government's intention of preventing inflation. They are simply an adaptation of the program to changing conditions—an adaptation which has been going on steadily since the end of the war. Indeed from its very beginning, the stabilization program has been adapted to meet changing needs and circumstances. Thus, at the outset, fiscal policy was not unduly restrictive because there was available for use a surplus of manpower and industrial capacity. Similarly, in the early days, price control was largely of an informal character. It was principally concerned with breaking bottlenecks which tended to restrict supplies and with preventing and discouraging speculation. As Canada approached and finally reached a condition of full employment, and the insatiable demands of war

diverted a larger and larger part of our production, the stabilization program was rapidly extended and intensified. Taxation was increased greatly, mainly in the form of progressive taxes on income and of special taxes on luxuries and less essential goods and services. The great Victory Loan drives were launched to pay for the conduct of war, and to siphon off and store for the future the purchasing power which could not then be matched by goods and services. The most striking measure was the introduction of an overall price ceiling, and of wage and salary control. This was the first comprehensive control of this kind to be undertaken by any of the democratic nations. Rationing of necessities was introduced when needed. Various controls over production and distribution were developed and extended. The program was buttressed by other controls over basic materials and manpower. These were introduced primarily for direct war purposes.

As victory approached, and as V-E Day and V-J Day came and passed, the controls over production of a restrictive type were steadily removed and relaxed. By V-J Day only a few such controls remained. By the beginning of this year a variety of other controls over basic materials, manpower, and distribution had been removed. Corporate and personal income taxes were appreciably reduced in the last Budget. While the recent Victory Loan was larger than ever, it was designed to meet such financing needs for twice as long a period as were the loans which preceded it. Certain special war taxes were reduced or removed. This action had the effect of easing the pressure of price ceilings on a variety of so-called reconversion products. Price control itself has been maintained up to the present.

There has thus already been a gradual and realistic adjustment to the changed atmosphere and to postwar conditions. The Government has acted as promptly as was feasible in removing controls. It has sought, however, to avoid the obvious dangers of hasty and ill-considered removal of regulations still urgently needed. The process of adjustment will continue until all emergency controls are dispensed with.

The Purposes of the Stabilization Program

The purposes of stabilization have not changed. On several occasions since V-E Day the Government has made clear its intention to take every means to prevent the disruption of economic conditions which still threatens to result from the stresses and strains left by the world conflict. Five months have passed since final victory. Reconversion has made substantial progress. Nevertheless we still face conditions of possible inflation which, if not controlled, would unquestionably lead to startling increases in costs and prices, and in the general cost of living. It takes considerable time to change over a productive system from a war basis to a peacetime basis. It takes time for labour and machinery formerly engaged in the armed services and in war industry to produce additional food, housing, automobiles, and so on, in sufficient amounts to meet the high volume of current and accumulated demands. This is true even in countries like Canada and the United States where physical destruction and disorganization have not occurred.

Inflationary conditions are also a direct consequence of the world-wide shortages of necessities of life such as food, clothing, lumber and other building materials. World-wide shortages have resulted in soaring prices abroad. They have increased the urgent and pressing demands of overseas countries on Canadian supplies. In these circumstances, continuing need for a stabilization program remains clear. The disaster of soaring prices and living costs must be prevented not only because of the injustices and suffering that would result therefrom but because it would arrest progress toward a healthy peacetime economy. Inflation would lay the basis for a severe depression. It would promote industrial strife and social conflict. The preservation of the stable price and cost structure, which we happily possess today, provides a sound basis for expanding peacetime markets both at home and abroad.

The Changed Conditions of Postwar Readjustment

There can be no question of abandoning the stabilization program at this juncture. There must, however, be a clear recognition that the conditions in

which it operates are substantially different from those prevailing during actual hostilities. The stabilization controls which are still retained are, apart from fiscal measures, of an emergency character designed to deal with emergency conditions arising from the war. They are in no sense a permanent feature of the Dominion Government's activities. Nor is there any need for their indefinite continuance. It is the Government's declared intention to remove such controls at the earliest moment consistent with the prevention of inflation and the maintenance of a fair division of essential goods in short supply. This explains why the Government requested from Parliament the extension of its war emergency powers for the limited period of approximately one year. The emphasis is on the removal of emergency controls and on continuous examination of the need for those which are retained.

As already stated, the advent of peace has substantially changed the economic environment in which the stabilization program operates. In wartime, Government expenditures practically assured maximum production and employment. Business risks and the risks of unemployment were almost eliminated. Price control could be and, in fact, had to be fairly rigid. Price ceilings did not restrict imports or lead to excessive exports. External purchases and sales were controlled directly and were frequently the subject of inter-governmental contracts. Wage and salary controls were essential to the maintenance of effective price control. They were accepted with understanding and co-operation.

With the disappearance of war production and the consequent decline in Government spending, an expansion in civilian production and investment is being looked to in order to provide the bulk of employment. To provide jobs, there must be an incentive to permit business, large or small, to take the risks involved in expanding operations and in entering on new lines of activity. Recent reductions in taxation, particularly in the excess profit tax, are a major step in this direction. The continued high level of demand, and the accumulation of deferred needs, combined with the relatively low level of Canadian costs, provide a favourable environment for such expansion. The reduction and removal of

excise taxes has provided more leeway for the manufacturers of many "reconversion" goods. The administration of price control must at the same time, necessarily be more flexible than it was in wartime. Wage and salary control should be continued only to the degree essential in combating inflation.

In reviewing the stabilization program, at this time, a further consideration should be mentioned. Its very success, and our good fortune in escaping the ravages and physical destruction of war, have resulted in our price structure today being substantially lower than the price levels of many of the countries with whom we trade. Especially is this true of the United Kingdom and the countries of Europe. The result is that to the exporters of these countries Canadian price ceilings frequently appear to be relatively low. On the other hand, the prices obtainable in export markets, for a number of Canadian commodities, appear very attractive to Canadian producers. There has never been a general price ceiling on exports. The problem, in this regard, has been largely one of assuring that domestic needs were adequately met. This has required the use of export controls and quota arrangements. For the time being, a number of such controls will have to be retained. On the import side, however, the domestic price ceiling might have restrictive effects, which the Government believes should be avoided, on our purchases from some countries. To date, no appreciable volume of imports from the United Kingdom and liberated countries has been excluded by the operation of the price ceiling. Offering of such goods have been limited and, in the case of some essential goods, subsidy assistance has been provided. But the time is now arriving when these countries are seeking to re-establish their trade with Canada. While changes in exchange rates, such as that recently made by France, will in some cases, help to re-establish more normal price relationships, there is a continuing problem which must be faced. The importance of this question is emphasized by the fact that if permanent export markets are to be re-established in many of these countries, to which Canada is providing financial assistance, trade must become more of a two-way flow than it is at present.

To these and related questions the Government has given careful study. As a result a number of changes in the operation of the stabilization program have been made. Some of the changes have already occurred or, as circumstances warranted, have developed gradually. There has been no sudden or widespread adjustment in the program nor is any such change contemplated. The policy of gradual adjustment has been amply justified by events in Canada and abroad. The further adjustments to be made now are additional steps in this process. The time is regarded as appropriate because of the marked progress in reconversion, the advanced stage of demobilization, and the problems in re-establishing external trade.

Flexibility in Price Control

The administration of price control has become, and is becoming, more flexible. From the beginning of reconversion, the Government has been determined that price control should not be allowed to restrict the expansion of peacetime production. In considering applications for price adjustments the distinction which the Prices Board very properly made between essential and non-essential goods during the height of the conflict has not been applied for some time. In wartime, what price adjustments were permitted were confined largely to more essential goods, the supply of which it was vital to maintain. In terms of the needs of peace, and the requirements of high employment, the distinction between essential and non-essential production in "pricing" policy no longer applies.

The Wartime Prices and Trade Board, in considering applications for price increases, has endeavoured and is endeavouring to give due weight to the need for sufficient incentive to allow a prompt expansion in civilian output. In some cases, where an industry as a whole can not demonstrate its financial need for a price adjustment, the Board has been and is prepared to allow adjustments for particular firms whose financial position warrants such a change. In extreme cases, and in the interest of maintaining needed production, the Board is prepared to consider adjustments on particular products even when the industry or the firm concerned cannot demonstrate that its overall financial

position is such as to warrant price relief. The Government's action in removing and reducing certain war taxes—such as the war exchange tax and the excise taxes on many household appliances and on automobiles—together with the removal of the sales tax on building materials, has eased the pressure of price ceilings on manufacturers of a large variety of reconversion goods. The primary purpose of these tax changes was not connected with price control. They have nonetheless provided flexibility in the field where reconversion "pricing" problems would otherwise have been most numerous. They have greatly reduced the need for price ceiling adjustments.

So far as imports are concerned, the Prices Board is now administering its control of the prices of goods imported from countries such as the United Kingdom and France, in such a manner as not to exclude imports from the Canadian market. These countries have suffered grave material loss, and their costs and prices have risen seriously as a result of the war. Price control over imports from such countries will still be maintained, but not in a way that will prevent their goods from being offered to Canadian buyers. The exporters of the United Kingdom and liberated countries will, however, still have to meet competition in the Canadian market, if they are to rebuild any large volume of exports to this country.

Price Ceiling Suspensions

As a first step toward removal of price controls, it has been decided to suspend a number of non-staple articles from the provisions of the price ceiling. The list of articles suspended includes drugs, cosmetics, tobacco products, jewellery, books, games, novelties, millinery and a number of miscellaneous services. The detailed list will be announced by the Minister of Finance. The production and supply of most of the articles suspended from the price ceiling have improved to the point where material price increases are not anticipated. Expanding production, competition, and self-restraint on the part of the producers and distributors concerned should protect the public from serious price advances. A great many of the suspended items are of minor importance in the budget of the average household. It is now questionable whether the expense and effort of administering effective price con-

trol in these cases is in proportion to the benefits derived. Moreover, the Prices Board is finding it increasingly difficult to retain the services of sufficient skilled personnel. It is most desirable that the Board should concentrate its efforts on the more important commodities. For the reasons mentioned, the Government has decided upon this first step in "decontrol" of prices. It is recognized that some price increases may ensue. It is even conceivable that widespread and significant advances might occur. That is why price ceilings have been *suspended* instead of being finally removed. Should widespread and unreasonable increases follow, should unprincipled speculators attempt, for selfish ends, to abuse this latitude, the whole policy will be reconsidered. Where necessary, in such cases, ceilings will be reimposed.

Gradual Removal of Subsidies

In moving toward the period when price control will no longer be necessary, the Government believes that subsidy payments should continue to be kept to a minimum and eliminated as promptly as is feasible. Subsidies have played a vital part in checking the cumulative pressures of inflation. Subsidies do, however, result in artificial relationships between the returns received by producers and importers and the prices paid by final consumers. They represent a direct and conscious interference with the operation of the price system. Such interference should be eliminated as more normal relationships between supply and demand are re-established. As already stated the Government's policy is to reduce and remove subsidies as promptly as is feasible. Following this policy, the Prices Board has already removed a number of less important subsidies. The Board will continue this process just as rapidly as is practicable. The whole structure of import subsidies has been carefully reviewed. As a result, the Government has approved a change in policy which will reduce their number and strictly limit the commodities to which import subsidies may be applied in future. The major subsidies, both import and domestic, such as those paid on important foodstuffs and textiles, are being constantly reviewed. Their reduction and removal will be undertaken step by step subject only to the needs of maintaining reasonable stability in the level of prices and living costs

More Flexibility in Wage Control

Finally, certain steps are being taken to modify wage and salary control. Wage and salary controls are an essential feature of the stabilization program. Inflationary pressures are such that removal of wage control is not yet feasible. The Government, however, has no intention of interfering with the normal processes of collective bargaining to any greater extent or for any longer than is strictly necessary. In these circumstances, certain changes have been made as the first steps toward the ultimate removal of this form of control. The War Labour Boards, in dealing with applications for wage adjustments, will now be guided by comparing wages in one plant or industry with other comparable plants or industries rather than by the former more rigid standard of gross inequalities and injustices. The War Labour Boards may also authorize an employer to vary wage rates on a basis which is otherwise reasonable in the circumstances, and which is consistent with maintenance of existing prices of goods and services. Wage increases granted under the Order will not be recognized as grounds for price advances. If such were permitted, it would simply invite a series of price increases in line with every advance in wage rates—a process which would set the inflationary spiral in motion. Other changes in wage control permit free collective bargaining over most matters not concerned with basic wage rates, and provide for the eventual return of minimum wage regulation to the Provinces. These changes will provide more latitude for the operation of collective bargaining, and for the exercise of administrative discretion in minimum wage matters and working conditions by the Provinces. They are desirable in themselves. They are not likely to threaten stabilization, provided they are used in a reasonable and responsible manner by all concerned. The changes in wage control are accompanied by corresponding adjustments in the policy of salary control. Details of the changes in the Wage Order and Salary Regulations are being announced by the Ministers of Labour and National Revenue respectively.

Policy of Gradual and Carefully Controlled Readjustment

The measures which have been outlined constitute the first steps in a deliberate and carefully considered plan looking toward the eventual removal of price and wage controls. They are designed to meet the realities of the period of readjustment and, at the same time, to continue to protect the Canadian people from the economic and social disruption of inflation. They should preserve and permit the utilization of the great benefits which orderly economic conditions and stable prices can bring in our progress towards high peacetime employment. They provide for greater flexibility without weakening the essential fabric of the anti-inflation program.

The one satisfactory answer to the danger of inflation is more and more production. Given co-operation and support by the Canadian people, anti-inflation controls will keep prices in check while production, at home and abroad, is catching up with demand. Nothing would restrict a lasting increase in production and employment more than a sharp rise in prices which would cut demand down to the present restricted level of supply. To curtail demand, which is precisely what soaring prices would do, would be to reduce prospective markets and employment opportunities. The present gap between demand and supply must be bridged to the largest feasible extent by increasing supply, by producing more and more, rather than by restricting demand through high prices.

The Government's policy—one of gradual and carefully controlled readjustment—will permit price increases only when they are needed. As time goes on, it may not rule out some gradual and moderate increase in wages and salaries, in the price level, and in the cost of living. It is no longer feasible to attempt rigid maintenance of the price level. It is quite conceivable that by the time full "decontrol" is achieved, the level of Canadian prices may be moderately higher than is the case to-day.

There is a great deal of difference between a gradual and planned policy of adjustment to postwar conditions, which may involve some modest increase in prices, and a policy of rapid removal of anti-inflation controls. The objective of

the Government's policy is to continue to protect the people of Canada from a sharp upswing in prices and living costs, and from the inevitable aftermath of deflation, unemployment and distress. Its purpose is to protect the value of wages and wartime savings. It is aimed to help to open larger markets both at home and abroad, and thus hasten progress toward the high level of peacetime production and em-

ployment which is our leading economic objective. With the intelligent support of the Canadian people Canada's anti-inflation program will achieve its aim. It will bring our country through the most destructive war in history *and its aftermath* without the economic and social disruption which have been the sorry heritage of past conflicts.

APPENDIX B

DIRECTORY OF OFFICIALS

B-1—THE WARTIME PRICES AND TRADE BOARD

Minister: Hon. J. L. Ilsley, Minister of Finance.

Present membership with dates of appointment:

Chairman: D. Gordon, Deputy Governor, Bank of Canada, Nov. 10, 1941.

Deputy Chairmen: M. W. McCutcheon, Mar. 2, 1945.

K. W. Taylor, Mar. 2, 1945.

Asst. to Chairman: A. M. Henderson, Dec. 1, 1945.

Members: H. B. McKinnon, Chairman of the Tariff Board, Sept. 3, 1939.

David Sim, Deputy Minister of National Revenue for Customs and Excise, Sept. 3, 1939.

F. A. McGregor, Commissioner of the Combines Investigation Act, Department of Labour, Sept. 3, 1939.

A. M. Shaw, Director of Marketing Service, Department of Agriculture, Sept. 9, 1939.

J. G. Bouchard, Assistant Deputy Minister of Agriculture, Nov. 13, 1941.

W. A. Mackintosh, Director General of Economic Research, Department of Reconstruction and Supply, Mar. 12, 1942.

Arthur MacNamara, Deputy Minister of Labour, Mar. 9, 1943.

M. W. Mackenzie, Deputy Minister, Department of Trade and Commerce, June 16, 1945.

Secretary: A. F. W. Plumptre, Mar. 15, 1945.

Special Adviser: S. R. Noble, Nov. 12, 1941.

Resignations: Roy Geddes, Deputy Chairman, Feb. 1, 1946.

J. G. Godsoe, Chairman, Wartime Industries Control Board, Nov. 30, 1945.

Hon. Cyrille Vaillancourt, Special Adviser to the Board, Jan. 1, 1946.

Deceased: S. A. Cudmore, Dominion Statistician, Department of Trade and Commerce, Oct. 17, 1945.

B-2—ASSOCIATED COMPANIES

Commodity Prices Stabilization Corporation Limited

President: H. B. McKinnon

Vice-Presidents: J. E. VanBuskirk

T. L. Daniels

Comptroller and Treasurer: W. Williamson

Assistant Secretary: Frank Plant

Directors: R. B. Bryce, T. L. Daniels, M. W.

Mackenzie, H. B. McKinnon, L. P.

Saint-Amour, David Sim, J. E.

VanBuskirk.

Canadian Wool Board Limited

President: Henry Brown

Vice-President: G. E. O'Brien

General Manager: G. N. Brown

Secretary-Treasurer: G. W. Fraser

Directors: Henry Brown, G. W. Fraser, H. S.

Leybourne, M. W. McCutcheon, G.

E. O'Brien, A. M. Shaw, H. F. Skey,

W. H. J. Tisdale, W. P. Walker.

Wartime Food Corporation Limited

President: R. T. Mohan

Vice-President: K. W. Taylor

General Manager: J. B. Lander

Secretary and Treasurer: J. W. Shepherd

Directors: H. B. Adams, R. E. Godbout, A. R.

Johnstone, R. T. Mohan, C. J.

Sanders, K. W. Taylor, J. E. Van-

Buskirk.

B-3—HEAD OFFICE DIVISIONS

Prices Division: E. J. Spence, Chief.

Secretary's Division: A. F. W. Plumptre,
Secretary.

Research Division: J. D. Gibson, Chief
J. F. Parkinson, Economic Adviser.

Comptroller's Division: W. T. Wilson,
Comptroller.

Information Branch: W. E. Austin, Director.

Consumer Branch: Byrne Sanders, Director.

Washington Office: E. J. Fox, Representative.

London Office: R. P. Bower, Representative.

APPENDIX C

CO-ORDINATIONS AND ADMINISTRATIONS

*Capital Equipment and Durable Goods**Co-ordination*

Co-ordinator—F. K. Ashbaugh
 Deputy Co-ordinator—Arthur May
 Adviser and Co-ordinator—D. P. Cruikshank

Administrations—

Aircraft and Aircraft parts
 Capital Equipment and Electrical Products
 Chemicals
 Construction Products
 Fabricated Metals and Sundry Items
 Farm and Construction Machinery and
 Municipal Service Equipment
 Glass and Glass Products
 Jewellery
 *Motor Vehicles and Parts
 Non-Ferrous Metals
 Steel and Iron (Primary)
 Upholstered and Metal Furniture and
 Bedding

Pulp and Paper Co-ordination

Co-ordinator—Wilbert H. Howard
 Deputy Co-ordinator—C. N. Moisan
 Deputy Co-ordinator—F. L. Mitchell

Administrations—

Book and Writing Paper
 Building Papers, Wallboard and Asphalt
 Roofing
 Newsprint
 Packages and Converted Paper Products
 Paperboard
 Shipping Cases
 Wallpaper
 Woodpulp
 Wrapping Paper

Textile and Clothing Co-ordination

Co-ordinator—F. B. Walls
 Associate Co-ordinator—J. A. Klein

Administrations—

Cotton and Cotton Products
 Fine Clothing (Woollens)
 Footwear
 Fur Skins and Fur Garments
 Hides and Leather
 Knit Goods

Luggage and Small Leather Goods

Men's and Boys' Furnishings
 Rayon and Rayon Products
 Textile Sundries
 Women's and Misses' and Children's Wear
 Women's and Misses' Coats and Suits
 Wool and Wool Products
 Work Clothing

Foods Co-ordination

Co-ordinator—K. W. Taylor
 Deputy Co-ordinators—F. S. Grisdale
 F. T. W. Saunders

Administrations—

Bread and Bakery Products
 Cocoa, Confectionery and Allied Products
 Dairy Products
 Feeds
 Fertilizers and Pesticides
 Fish and Fish Products
 Flour and Cereal Products
 Fresh Fruits and Vegetables
 Honey and Maple Products
 Ice
 Imported Grocery Items
 Meat and Meat Products
 Oils and Fats
 Pharmaceuticals
 Processed Fruits and Vegetables
 Seeds
 Sugar
 Tea and Coffee

Individual Administrations

*Coal
 Distributive Trades
 Enforcement
 *Power
 Publishing, Printing and Allied Industries
 Ration
 Rentals
 *Rubber
 Services
 Ships' Stores
 Standards
 *Timber
 Used Goods

*Controllers under Department of Recon-
 struction and Supply.

APPENDIX D

REGIONAL AND LOCAL OFFICES AND PRICES AND SUPPLY REPRESENTATIVES

Charlottetown.....E. M. Nicholson

Halifax.....R. F. Johnson

Local Offices:

Amherst	Sydney
Annapolis Royal	Truro
Bridgewater	Wolfville
New Glasgow	Yarmouth

Saint John.....Chas. C. Sullivan

Local Offices:

Bathurst	Fredericton
Edmundston	Moncton

Quebec City.....J. M. Martin

Local Offices:

Chandler	Roberval
Chicoutimi	St. Georges
Rimouski	(Beauce)
Riviere du Loup	Thetford Mines

Montreal.....Alfred Savoie

Local Offices:

Drummondville	Sherbrooke
Granby	Three Rivers
Rouyn	Valleyfield
St. Jerome	

Ottawa.....G. Masson	Winnipeg.....E. B. Complin
Local Offices:	Local Offices:
Belleville	Brandon
Brockville	Fort William
Cornwall	Kenora
	Portage La Prairie
Toronto.....F. L. J. Seldon	Regina.....A. R. Mackie
Local Offices:	Local Offices:
Barrie	Oshawa
Hamilton	Parry Sound
Huntsville	Peterborough
Lindsay	St. Catharines
Niagara Falls	Welland
Orillia	
London.....W. Harold McPhillips	Edmonton.....Walter S. Campbell
Local Offices:	Local Offices:
Brantford	St. Thomas
Chatham	Sarnia
Guelph	Stratford
Kitchener	Windsor
Owen Sound	Woodstock
North Bay.....A. T. Smith	Vancouver.....C. W. Brazier
Local Offices:	Local Offices:
Kirkland Lake	Cranbrook
Sault Ste. Marie	Kamloops
	Nanaimo
	Nelson
	Penticton
	Prince George
	Prince Rupert
	Trail
	Vernon
	Victoria

APPENDIX E

ORDERS IN COUNCIL AFFECTING THE WARTIME PRICES AND TRADE BOARD

NOTE:—The following list of Orders in Council supplements Appendix D of the previous report which lists the principal Orders in Council under which the Wartime Prices and Trade Board functions.

P.C. 3408, May 10, 1945	Removes the 25% excise tax on electrical and gas fixtures and appliances (such as ranges, refrigerators and lamps), 8% sales tax on building materials, and 10% war exchange tax on imports from non-sterling countries of building materials and of machinery and apparatus to be used in production of goods in Canada; reduces the excise tax on automobiles and on radios, phonographs, record players, cameras, films and projectors (except those exclusively for industrial or professional use).
P.C. 3409, May 10, 1945	Revokes P.C. 10797, Nov. 26, 1942, which established the Housing Co-ordination Committee; sets up a new Inter-departmental Housing Committee to direct the housing policy outlined in the Government's white paper.
P.C. 3634, May 22, 1945	Amends P.C. 3408, May 10, 1945, to exempt cast iron soil pipe and fittings from the 8% sales tax and 10% war exchange tax.
P.C. 4453, June 22, 1945	Rescinds the 8% sales tax on hot water and steam radiators (not including fittings).
P.C. 5273, July 26, 1945	Amends P.C. 7475, Aug. 26, 1942, to provide for recovery of subsidy on goods for which a price increase is granted, and on goods exempted from the price ceiling.
P.C. 5401, Aug. 7, 1945	Amends P.C. 4383, June 20, 1945, to provide for representation of the Wartime Prices and Trade Board and the Civil Service Commission on the Interdepartmental Advisory Committee on Rehabilitation and Re-establishment.
P.C. 7414, Dec. 28, 1945	Provides that orders and regulations made under the War Measures Act are continued in force under the National Emergency Transitional Powers Act, 1945.
P.C. 7460, Dec. 28, 1945	Amends P.C. 5518, July 16, 1943, to authorize Commodity Prices Stabilization Corporation to vary the time for repayment of subsidy on goods which are exported.

P.C. 7484, Dec. 28, 1945

Amends P.C. 3409, May 10, 1945; re-organizes the Interdepartmental Housing Committee and transfers the chairmanship from the Deputy Minister of Finance to the President of the Central Mortgage and Housing Corporation; the Committee, which previously was responsible to the Minister of Finance, was made responsible, in addition, to the Minister of Reconstruction and Supply.

P.C. 7502, Dec. 28, 1945

Transfers the administration of the Emergency Shelter Regulations to the Central Mortgage and Housing Corporation.

P.C. 2, Jan. 15, 1946

Revokes P.C. 3888, May 10, 1943, which established the National Textiles and Leather Requirements Committee.

APPENDIX F

STATEMENTS OF ADMINISTRATIVE POLICY ISSUED BY THE WARTIME PRICES AND TRADE BOARD

NOTE:—The following list supplements Appendix E of the previous report.

February 11, 1943	Statement of Import Policy Consolidation.
January 4, 1945	
February 14, 1945	
February 15, 1945	
May 31, 1945	
June 15, 1945	
June 28, 1945	
July 5, 1945	
August 6, 1945	Amendments to the Statement on Import Policy.
September 1, 1945	
October 15, 1945	
November 1, 1945	
November 1, 1945	
November 15, 1945	
December 6, 1945	
December 6, 1945	
January 3, 1946	
January 3, 1946	
January 14, 1946	Statement of Policy on Import Subsidies (effective January 21, 1946).
February 1, 1946	
February 1, 1946	Amendments to the Statement of Policy on Import Subsidies.
February 7, 1946	
February 7, 1946	
February 26, 1946	
March 1, 1946	
September 15, 1945	Statement of Policy on Equitable Distribution.
November 15, 1945	Amendments to Statements of Policy on Equitable Distribution
January 1, 1946	
January 31, 1946	
October 15, 1945	Statement of Policy on Purchase and Inventories of Iron and Steel.

APPENDIX G

COMMODITY PRICES STABILIZATION CORPORATION LIMITED

SUMMARY OF OPERATIONS FROM DECEMBER 1, 1941 TO DECEMBER 31, 1945

The operations of the Commodity Prices Stabilization Corporation Limited from inception to December 31, 1945, have resulted in a cost to the government of \$322,782,300.99, made up as follows:

1. SUBSIDIES PAID (See detail below)—		
A. Import	\$138,695,078.44	
B. Domestic	140,077,732.53	
		\$278,772,810.97
2. LOSSES ON COMMODITY TRADING (See detail below)		40,585,890.73
3. ADMINISTRATIVE EXPENSES AND MISCELLANEOUS ITEMS		3,423,599.29
		<hr/> \$322,782,300.99

1. SUBSIDIES PAID

A. SUBSIDIES ON IMPORTED GOODS

NOTE—Prior to January 21, 1946 it was the Board's practice to pay import subsidy on certain broadly defined classes of goods subject to a number of specific exclusions. Schedules of goods specifically declared ineligible for subsidy were issued from time to time, and in earlier Board reports these restrictions on eligibility have been indicated in column three of the list of import subsidies paid.

In view of the necessity for curtailing the payment of subsidy to the maximum extent consistent with the Government's stabilization policy, and due to the increasing length of the list of goods excluded from subsidy, the Board's approach was changed effective January 21, 1946. In a statement of policy on import subsidies it was announced that in future, subsidies would only be paid on items included in a list of goods specifically declared eligible for subsidy or eligible if, prior to entry for consumption at Customs, an arrangement respecting subsidy has been entered into with the Corporation.

Column three of the following list of import subsidies paid now indicates eligibility status as of April 1, 1946 under the revised policy, as follows:—

I Items included in Schedule I of the Statement of Policy on Import Subsidies, i.e. goods eligible for subsidy subject only to the limitations set forth in the Statement.

II Items included in Schedule II of the Statement of Policy on Import Subsidies, i.e., goods eligible for subsidy only in cases where prior to entry for consumption at Customs an arrangement respecting subsidy has been entered into with the Corporation.

Ineligible—Items not included in Schedules I or II of the Statement of Policy on Import Subsidies.

BP Items currently being bulk purchased by Commodity Prices Stabilization Corporation Ltd.

The description of imports subsidized appearing opposite each tariff item is partial and general only. Space does not permit the listing of each separate commodity subsidized under a particular tariff item and the heading indicates the general class only.

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
			\$ cts.
	GROUP 1, ANIMALS, AGRICULTURAL PRODUCTS, FISH AND PROVISIONS		
3	Bees.....	Ineligible.....	318,362 79
8	Canned meats, etc.....	Ineligible.....	1,342 61
11	Rennet.....	Ineligible.....	7,572 96
13	Lard and animal stearine, n.o.p.....	II (in part); BP.....	3,607 21
14	Tallow.....	II (in part); BP.....	693,338 74
15	Beeswax.....	Ineligible.....	26,722 80
20a	Cocoa butter.....	Ineligible.....	1,817 34
28a	Tea.....	Ineligible; BP.....	1,250,565 64
29a			
30	Ginger and spices, unground.....	Ineligible; BP.....	122,366 99
31	Ginger and spices, ground.....	Ineligible; BP.....	2,500 33
32	Nutmegs and mace.....	Ineligible; BP.....	15,427 39
39 (ii)	Starch, n.o.p.....	Ineligible.....	648 62
42	Salt, bulk.....	Ineligible.....	84,026 67
43a	Powdered milk.....	Ineligible.....	4,884 60
47	Beans, n.o.p.....	II (in part).....	34,749 87
55	Indian corn.....	II.....	1,941,108 26
62	Rice uncleaned.....	II.....	1,478,606 58
63	Rice, cleaned.....	Ineligible.....	42,086 54
64	Sago and tapioca.....	Ineligible.....	641 83
68	Linseed, cottonseed and palm nut cake and meal.....	II.....	7,301 87
71b	Clover seed, etc.....	II.....	747 85
72a	Aromatic seeds, inedible, in crude state.....	Ineligible.....	598 08

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
	GROUP 1—Continued		\$ cts.
72e	Bent-grass seed.....	II.....	278 73
73	Field seeds, n.o.p.....	II.....	89,573 09
77a	Cocoa beans.....	Ineligible; BP.....	698,359 54
77b	Vanilla beans, crude.....	Ineligible.....	8,327 09
83(a)	Potatoes.....	II.....	425,690 23
99a	Prunes.....	Ineligible; BP.....	511,995 91
99c	Raisins and dried currants.....	Ineligible; BP.....	10,957 26
99e	Dates.....	Ineligible; BP.....	650 91
99g	Apricots, peaches, etc. dried.....	Ineligible.....	43,127 37
101	Oranges.....	Ineligible.....	1,680,760 24
109a	Peanuts, green.....	II.....	88,115 93
113a	Copra.....	II (in part).....	666,130 13
	Items under \$100.....		159 96
	GROUP 2, SUGAR, MOLASSES AND MANUFACTURES THEREOF		\$ 10,263,151 96
136	Molasses—edible, (transportation).....	II.....	925,692 19
136a }			
137 }	Syrups and molasses, cane and beet.....	II (in part).....	67,930 77
140 }			
	GROUP 3, TOBACCO AND MANUFACTURES THEREOF		\$ 993,622 96
	Nil		
	GROUP 4, SPIRITS, WINES AND OTHER BEVERAGES		
152	Fruits Syrups and Juices, n.o.p.....	II (in part); BP.....	\$ 218,809 85
	GROUP 5, PULP, PAPER AND BOOKS		
192	Paper and board products.....	I (in part).....	31,374 51
197	Paper, n.o.p.....	Ineligible.....	984 36
199	Manufactures of paper, n.o.p.....	Ineligible.....	79,762 39
199d	Paper, cigarette.....	Ineligible.....	331,680 07
	GROUP 6, CHEMICALS, DRUGS, OILS AND PAINTS		\$ 443,801 33
203 }	Non-edible tanning, dyeing, etc., materials....	Ineligible.....	1,151,558 67
203a }			
203b }			
204	Drugs, non-edible, crude.....	II (in part).....	58,440 79
206	Quinine, etc.....	Ineligible.....	399 11
208	Chemicals, miscellaneous.....	Ineligible.....	11,106 55
208c }			
208m }	Pesticide chemicals.....	208c } Ineligible } 208m } 209c }	59,375 95
209b }			
209c }			
208o }	Tartaric acid.....	Ineligible.....	39,637 47
208t }	Chemicals and drugs.....	Ineligible.....	72,496 07
209 }			
209a }	Fertilizer chemicals.....	209 } I (in part); BP } 209a }	78,348 66
210e }			
210	Peroxide of soda, etc.....	210e Ineligible	
216	Acids, n.o.p.....	Ineligible.....	776 22
219a	Disinfecting, spraying, etc., preparations.....	Ineligible.....	5,168 91
219d	Anaesthetics, n.o.p.....	II (in part).....	10,459 29
220	Medicinal, chemical and pharmaceutical preparations.....	Ineligible.....	9,373 03
220a }			
220c }			
225	Wax, vegetable and mineral, n.o.p.....	Ineligible.....	975 94
232c	Gelatine, edible.....	Ineligible.....	14,586 49
236	Surgical dressings, etc.....	Ineligible.....	46,571 30
238a }			
238b }	Synthetic plastics.....	Ineligible.....	698 29
238d }			
238g }			
239	Lamp black, etc.....	Ineligible.....	2,726 83
242	Dry red lead, etc.....	Ineligible.....	1,411 20
247	Paints and filler, n.o.p.....	Ineligible.....	3,353 69
247a }	Artists and school children's colours, etc.....	Ineligible.....	113 49
254	Gums.....	Ineligible.....	10,277 83
254a }			
			2,095 30

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
GROUP 6—Continued			\$ cts.
259b	Rapeseed oil.....	II (in part).....	26,950 09
261	Spirits of turpentine.....	II.....	23,596 82
264	Essential oils, n.o.p.....	Ineligible.....	17,505 22
265	Whale oil.....	II (in part); BP.....	123,409 14
265a	Fish oils, n.o.p.....	II (in part); BP.....	17,758 33
274	Petroleum coke.....	I.....	392 93
276a } 276b }	Cottonseed oil.....	II (in part); BP.....	839,627 90
277	Palm and palm kernel oil.....	II (in part); BP.....	48,479 86
278	Oil, cocoanut and palm for soap manufacture, etc.....	II (in part); BP.....	*13,186 40
278a	Oil, peanut and soya for soap manufacture.....	II (in part); BP.....	318,361 08
278b	Peanut oil for refining.....	II (in part); BP.....	151,537 50
278c	Cocoanut oil for refining.....	II (in part); BP.....	12,672 74
280	Foots; grease for manufacture of soaps and oils	II (in part); BP.....	8,679 60
	Petroleum and products—		
	Ocean tanker, Eastern Canada.....	II.....	32,141,725 25
	Ocean tanker, British Columbia.....	II.....	2,107,139 34
	Prairie.....	II.....	7,764,836 20
	Lake tanker ex Toledo.....	II.....	120,838 05
	Ontario via Toledo.....	II.....	5,024,355 32
	Items under \$100.....		177 96
			\$ 20,314,808 06
GROUP 7, EARTHS, EARTHENWARE AND STONEWARE			
287	Tableware.....	Ineligible.....	198,858 74
288	Stone and earthenware.....	Ineligible.....	3,488 01
289	Sanitary ware, n.o.p.....	Ineligible.....	95,018 30
311	Slate pencils and school writing slates.....	Ineligible.....	582 39
326a } 326e }	Glassware.....	Ineligible.....	16,412 05
326g			
326(i)			
326(ii)			
326h }			
	Items under \$100.....		56 39
			\$ 314,415 88
GROUP 8, METALS AND MANUFACTURES THEREOF			
349	Brass, not polished.....	Ineligible.....	127 75
352	Manufactures of brass or copper.....	Ineligible.....	766 56
362c	Nickel plated, etc. ware, n.o.p.....	Ineligible.....	1,927 95
366b	Parts of watch movements.....	Ineligible.....	11,128 16
383(c)	Iron or steel sheets, bands, etc. zinc-coated	II.....	126 00
401d } 402c }	Wire and wire fencing.....	Ineligible.....	2,938 05
407	Silent or roller chain.....	Ineligible.....	289 23
409			
409b			
409c			
409d			
409e }	Agricultural implements.....	Ineligible.....	24,897 94
409g			
409i			
409m			
409o }			
427 } 427a }	Machinery, wholly or in part of iron or steel, n.o.p.....	Ineligible.....	174 01
427b			
429			
430 }	Cutlery.....	Ineligible.....	6,551 72
430a }			
430b }			
	Nuts and bolts, hinges, screws, etc., iron or steel.....	Ineligible.....	685 12

*Under the plan of assistance to the soap and shortening industry, manufacturers purchasing materials at prices less than those set by the Administrator remit the difference to C.P.S.C. to be offset against subsidies paid on other materials. Such remittances on the oils in question have exceeded subsidies paid under this particular tariff item by the amount indicated.

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
	GROUP 8—Continued		\$ cts.
431 } 431b } 431e }	Tools.....	Ineligible.....	6,803 31
432 } 432b } 432d }	Hollow-ware.....	Ineligible.....	5,222 67
438b } 438c } 438e }	Parts and accessories for motor vehicles.....	Ineligible.....	2,376 53
439	Bicycles.....	Ineligible.....	1,864 80
440d	Anchors for vessels.....	Ineligible.....	1,963 03
440g	Manufactures of metal for equipment of vessels.....	Ineligible.....	299 87
442	Agricultural implements, articles entering into manufacturing cost.....	II (in part).....	41,424 46
443	Apparatus for heating and cooking.....	Ineligible.....	3,471 04
444a	Lighting fixtures.....	Ineligible.....	250 30
445a	Flashlights and bicycle lamps.....	Ineligible.....	419 53
445e	Batteries and parts.....	Ineligible.....	3,041 72
445k	Electric apparatus and parts, n.o.p.....	Ineligible.....	1,867 28
446a	Manufactures of iron or steel, n.o.p.....	Ineligible.....	16,420 21
451	Fasteners, metal.....	Ineligible.....	2,714 49
451b	Pins, metal.....	Ineligible.....	2,060 35
462 } 462(1) }	Instruments—mathematical, optical, etc.....	Ineligible.....	370 89
476	Surgical and dental instruments.....	Ineligible.....	6,849 42
	Items under \$100.....		485 71
			\$ 147,518 15
	GROUP 9. WOOD AND MANUFACTURES THEREOF		
493 } 494 } 494b }	Corkwood and products.....	493 I (in part) } 494 } Ineligible } 494b }	7,764 23
497 } 752 }	Cane, reed or rattan.....	Ineligible.....	14,778 75
502	Wooden products, miscellaneous shapes, etc..	Ineligible.....	2,682 20
504	Partly dressed lumber.....	Ineligible.....	15,900 86
506 } 506a }	Manufactures of wood, n.o.p.....	Ineligible.....	1,111 63
507a	Veneers of wood, n.o.p.....	Ineligible.....	3,492 36
			\$ 45,730 08
	GROUP 10. COTTON, FLAX, HEMP, JUTE AND OTHER FIBRES AND SILK, WOOL AND MANUFACTURES THEREOF		
520	Raw cotton and cotton linters.....	I.....	22,692,223 73
520a } 520b }	Waste and rags, cotton.....	I (in part).....	96,264 16
522 } 522a } 522b } 522c } 522d } 522f }	Rovings, yarns, warps (cotton).....	522 } 522a } 522b } I (in part) } 522c } 522d } 522f Ineligible.. }	389,514 98
523 } 523a } 523b } 523c } 523e } 523j } 523k }	Woven fabrics (cotton).....	523 } 523a } 523b } I (in part) } 523c } 523e } 523j } I } 523k }	11,802,035 21
524a	Cotton, etc., fabrics without weft pile.....	I (in part).....	7,198 36
525	Woven fabrics (cotton) for rubber sheeting manufacture.....	Ineligible.....	2,198 36
529 } 530 }	Lace and embroideries, cotton.....	529 I (in part) } 530 Ineligible }	2,796 48

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
	GROUP 10—Continued		\$ cts.
532	Manufactures of cotton, n.o.p.....	I (in part).....	789,880 35
532a	Handkerchiefs (cotton).....	I (in part).....	53,304 50
535	Vegetable fibres.....	I and II (in part).....	8,715,473 63
535a }			
535b }	Waste and rags, n.o.p.....	I (in part).....	10,265 59
535c }			
535e	Vegetable fibres for brush manufacture.....	Ineligible.....	4,216 88
536	Batts and wadding, n.o.p.....	Ineligible.....	6,132 77
537a	Rovings, yarns, warps (vegetable fibre).....	Ineligible.....	26,552 83
537b	Linen thread for machine and hand sewing.....	Ineligible.....	1,058 45
537c	Rovings, yarns and warps (vegetable fibre for specified uses).....	Ineligible.....	18,468 90
537d }	Rovings, yarns and warps (jute).....	I (in part).....	481,180 35
537e }			
538a	Bindertwine, articles entering into manufacturing cost.....	I (in part).....	69,437 64
540(a) }			
540(b) }	Woven fabrics and articles of flax or hemp....	I (in part).....	470,733 65
540(c) }			
540(d) }			
541b	Woven fabrics (jute).....	Ineligible.....	982 26
542	Woven fabrics (vegetable fibre).....	I.....	2,531 20
542a }			
543	Sail twine and canvas.....	Ineligible.....	383 34
548	Textile manufactures, n.o.p.....	I (in part).....	17,621 71
549	Wool, hair of camel, goat or like animal.....	II.....	3,950,745 26
549a	Hair.....	Ineligible.....	4,058 87
549c	Haircloth.....	Ineligible.....	1,978 39
550a }		550a I (in part) }	
550b }	Waste and rags, wool or hair.....	550b I.....	18,207 61
550c }		550c Ineligible }	
551	Yarns of wool or hair, n.o.p.....	I.....	7,536 01
551a	Yarns and warps or wool or hair for manufacture.....	I.....	119,361 49
551b	Mohair or alpaca yarns for upholstery manufacture.....	Ineligible.....	7,600 26
551c	Yarns and warps of hair or hair and fibre.....	I.....	29,335 06
551d	Yarns and warps, worsted.....	I.....	17,012 89
553	Blankets (excluding rugs).....	I.....	77,417 68
554 }		554 }	
554a }	Woven fabrics wholly or in part of wool.....	554b I }	
554b }		554c }	
554c }		554a Ineligible }	532,735 76
555	Manufactures of wool, n.o.p.....	Ineligible.....	400 52
557	Artificial silk, etc.....	557 Ineligible.....	575,554 70
557b }		557 b I (in part) }	
558b }	Rovings, yarns and warps of artificial silk, etc.	558 b I }	
558d }		558 d I (in part) }	205,376 67
560c }		560c }	
561	Woven fabrics, artificial silk.....	561a Ineligible }	444,076 99
561a }		562a }	
562a }		561 I }	
565	Braids, nets, etc.....	Ineligible.....	61,232 61
567a	Manufactures of artificial silk.....	I (in part).....	241 90
568	Knitted garments and goods, n.o.p.....	I (in part).....	17,131 85
568b	Gloves and mitts, n.o.p.....	Ineligible.....	12,346 00
569 (i) }			
569 (ii) }	Hats, hoods and shapes of felt or wool, etc....	Ineligible.....	115,173 19
569 (iii) }			
569a (ii) }			
571a	Cocoa mats or matting.....	Ineligible.....	4,445 66
572	Carpets and rugs, n.o.p.....	Ineligible.....	3,011 21
573	Linoleum, oilcloth, etc.....	Ineligible.....	4,191 49
574a	Elastic webbing and braid.....	Ineligible.....	299 36
574b	Elastic webbing for manufacture.....	Ineligible.....	1,082 76
	Items under \$100.....		104 41
	GROUP 11. MISCELLANEOUS		\$51,871,113 93
584	Crude bone pitch and resin or rosin.....	Ineligible.....	4,147 86
585	Pitch and tar.....	Ineligible.....	1,570 30
586	Coal, U.K. anthracite.....	I.....	1,817,895 27
586	Coal, U.S. anthracite, consumer.....	I.....	6,034,382 09

Tariff Item	Partial Description of Imports Subsidized	Eligibility Status as of April 1, 1946	Subsidy Paid Dec. 1, 1941 to Dec. 31, 1945
	GROUP 11—Continued		\$ cts.
587 } 587a }	Coke, consumer.....	I.....	529,147 09
588	Coal, U.S., n.o.p., consumer.....	I.....	6,472,976 55
599	Raw hides and skins.....	I and II (in part).....	1,668,998 95
604	Leather further finished than tanned, n.o.p....	Ineligible.....	45,426 53
605	East India kip leather for linings.....	Ineligible.....	796 61
607 } 607(2) } 608b }	Leather for manufacture.....	Ineligible.....	826 04
611a	Boots and shoes, n.o.p.....	Ineligible.....	132 13
612	Harness and saddlery.....	Ineligible.....	1,123 14
616(ii)	Scrap rubber.....	Ineligible.....	2,978 48
618	Manufactures of rubber, n.o.p.....	Ineligible.....	991 37
618b	Rubber tires.....	Ineligible.....	149 40
623	Cases, portfolios, etc.....	Ineligible.....	177 93
642	Hatters' fur.....	Ineligible.....	186,907 27
652	Dressing combs, n.o.p.....	Ineligible.....	125 72
654	Broom corn and bristles.....	Ineligible.....	1,741,167 08
655a } 655b }	Lead pencils, crayons, chalk, etc.....	Ineligible.....	3,215 15
657	Parts of pipes for manufacture.....	Ineligible.....	211 42
662 } 663b }	Fertilizers and articles entering into manu- facturing cost.....	I and II (in part).....	2,221,785 31
663c	Soya bean meal, etc.....	II (in part).....	726,741 31
674	Ivory nuts, etc.....	Ineligible.....	551 88
682 } 682a } 682b } 682c }	Fishermen's gear, non-sporting.....	682 I and II (in part) } 682a } I 682b } 682c }	456,873 33
697	Globes, geographical.....	Ineligible.....	211 07
698	Articles specially designed for the use of the blind.....	Ineligible.....	952 32
711	Items, n.o.p.....	II (in part).....	1,491,595 08
782	Eucalyptus oil.....	Ineligible.....	586 05
791	Pesticides, articles entering into manufacturing cost.....	II (in part).....	9,057 77
793	Yarns and warps, cotton, for manufacture of woven fabric.....	I.....	719 00
794	Waste fabrics for further manufacture.....	I (in part).....	11,804 88
797	Yarns cotton, for manufacture of cotton thread	I.....	16,244 27
817	Unbleached beeswax for manufacture.....	Ineligible.....	4,172 20
837	Alfalfa meal.....	Item expired.....	11,176 37
839	Sunflower seed oil for manufacture.....	II (in part).....	655,626 58
	Items under \$100.....		53 98
			\$24,121,497 78
	Total all groups.....		\$138,734,469 98
	Unallocated recoveries.....		* 39,391 54
	TOTAL IMPORT SUBSIDIES.....		\$138,695,078 44

*This figure represents recoveries of subsidy under limitation of subsidy agreements and on sales for export or ships' stores or to certain other government departments, etc., in cases where the tariff item against which the subsidy was originally paid can not readily be identified.

B. SUBSIDIES ON DOMESTIC GOODS

NOTE:—Many domestic subsidies listed below have been cancelled or are now inoperative, having been applicable only to specific transactions now completed. Column two indicates the date after which operations ceased to be eligible for subsidy. In cases where there was no specific cut off date, but where the subsidizable operation has been completed, the phrase "no longer operative" has been used.

Description of goods subsidized		Subsidy paid Dec. 1, 1941 to Dec. 31, 1945
Artificial Silk—		
Yarns		
Viscose for filler.....	June 30, 1945.....	\$ 2,989 35
Viscose, Special Arrangement.....	December 31, 1945.....	94,224 95
Bindertwine, Rope and Materials—		
Manila Fibre.....	No longer operative.....	17,547 12
Butter—		
Butterfat*.....	April 30, 1943.....	12,194,050 09
Inventories.....	No longer operative.....	582,913 06
Transportation.....		123,831 47
Canned fruits and vegetables—		
1941 Pack.....	No longer operative.....	265,856 71
1942 Pack.....	" " ".....	1,579,022 42
1943 Pack.....	" " ".....	1,179,322 64
1944 Pack.....	" " ".....	1,584,681 19
1945 Pack.....		566,293 39
Storage.....		350,405 68
Chicken Brooders, Electric.....	June 30, 1944.....	100 00
Coal—		
Bituminous for Coking.....	March 31, 1946.....	36,468 94
Cost-of-Living Bonus.....	February 15, 1944.....	3,224,692 56
Emergency Diversion.....		281,914 93
Transportation, Maritimes.....		29,758 73
Pre-ECPB Assistance.....	March 31, 1942.....	378,554 68
Wagon Mines, Transportation.....	January 21, 1944.....	1,084 43
Coke:		
Transportation, Nova Scotia.....		6,090 42
Algoma.....		2,381,428 03
Cork for Milk Cooling Tanks.....	April 29, 1945.....	993 60
Corn—		
Corn Meal, Special Arrangement.....	No longer operative.....	266 78
Diversion.....	September 26, 1945.....	98,782 72
For Processing.....		373,541 84
Cotton—		
Yarns, Special Arrangement.....		6,013 31
Manufactures:		
Underwear, Fleece Lined.....	March 31, 1946.....	47,811 99
Eggs, frozen.....	March 31, 1945.....	288,181 93
Feeds—		
Fishmeal.....	June 30, 1944.....	14,821 20
Fertilizers—		
Eastern Canada.....		424,910 91
Fish, canned		
Salmon		
1944 Pack.....	No longer operative.....	251,274 94
Fish Hooks.....		1,267 21
Foods—		
Transportation, Miscellaneous.....		19,358 65

*Responsibility for the payment of milk and butterfat subsidies to primary producers was taken over by the Department of Agriculture on May 1, 1943. The amounts here listed, therefore, apply only to production before that date.

The Department of Agriculture pays a number of subsidies for the benefit of primary producers which are of interest to the Wartime Prices and Trade Board. The subsidies which have been paid to growers on soft fruits sold for jam manufacture and on vegetables for canning are examples.

Subsidies on Domestic Goods—*con.*

Description of goods subsidized		Sudsidy paid Dec. 1, 1941 to Dec. 31, 1945
Footwear—		
Subsidy to July 15, 1943.....	July 15, 1943.....	\$ 4,179,563 46
Fruits, fresh—		
Strawberries, B.C., 1942.....	No longer operative.....	64,008 14
Peaches, Ontario, 1942.....	“ “ “.....	66,596 82
Tree Fruits, 1943.....	“ “ “.....	651,474 59
Tree Fruits, 1944.....	“ “ “.....	1,023,542 09
Tree Fruits, 1945.....	“ “ “.....	634,557 73
Fruits, processed—		
Strawberries, B.C., 1943.....	June 30, 1944.....	7,589 40
Strawberries, B.C., 1944.....	June 30, 1945.....	1,734 38
Furniture.....	March 31, 1945.....	194,231 92
Groceries—		
Order 116:		
Standard.....	August 31, 1945.....	3,957,215 83
Cereal Products.....	August 31, 1945.....	64,951 62
Pork and Beans.....	“ “ “.....	4,236 39
Transportation, Gaspe.....	No longer operative.....	7,160 01
Jam and Jelly.....	February 28, 1946.....	1,740,617 95
Leather—		
Footwear, sole and upper.....	August 31, 1945.....	*19,640 37
Glove and Garment (including Shearlings).....	January 31, 1946.....	2,506,052 04
Harness.....	No longer operative.....	2,151 98
Lime.....		32,268 91
Lumber—		
Pitprops and Mine Ties.....	February 2, 1944.....	26,377 06
Pitwood, U.K.....	No longer operative.....	279,759 92
Consumer, Softwood.....	July 14, 1945.....	2,461,377 18
Producer, B.C. Coastal (including lath).....	October 27, 1943.....	376,201 70
Producer, B.C. Coastal, Shingles.....	August 15, 1943.....	108,962 78
Retail Prairie.....	August 15, 1943.....	622,042 04
Sawmill, B.C. Coastal, Logs.....	June 30, 1945.....	119,149 49
Snow Fencing.....	November 10, 1945.....	26,141 12
Maple Products.....		34,355 73
Meat—		
Beef, canned, fresh.....	June 30, 1945.....	46,649 15
Beef, Transportation.....	March 17, 1944.....	358,359 37
Beef and Products, Special Arrangement.....	June 30, 1945.....	53,968 07
Bologna and Weiners.....	November 30, 1943.....	25,827 29
Pork Sausage, Special Arrangement.....	“ “ “.....	4,973 56
Milk—		
Primary Producers, 1941-42.....	April 30, 1942.....	2,830,719 46
Primary Producers, 1942-43**.....	April 30, 1943.....	3,001,984 40
Consumer.....	“ “ “.....	59,305,602 38
Oils and Fats—		
Bones and Fats, Transportation.....	December 31, 1945.....	331 63
Linseed Oil, Transportation.....	No longer operative.....	19,487 07
Soap and Shortening Materials.....	“ “ “.....	4,806,905 80
Soya Beans.....	“ “ “.....	66,950 90
Paper Products—		
Scribblers and Counter Cheques.....	February 28, 1945.....	32,102 71
Waste Paper, Transportation.....	December 31, 1944.....	13,563 10
Rubber—		
Neoprene and Neoprene Latex.....	“ “ “.....	21,830 64
Scrap Tires.....	No longer operative.....	46,873 69
Synthetic and Crude.....	“ “ “.....	8,565,622 17

*Refunds by tanners and manufacturers under limitation of subsidy undertakings have exceeded payments by the Corporation, but this credit balance may be regarded as offsetting, in part, the heavy import subsidy expenditures on hides and skins for sole and upper leather (Tariff Item 599).

** See footnote on page 80.

Subsidies on Domestic Goods—*conc.*

Description of goods subsidized		Subsidy paid Dec. 1, 1941 to Dec. 31, 1945
Rye Grain.....		\$ 109,965 44
Soil Pipe— Cast Iron, Special Arrangement.....		2,536 17
Tanning Materials— Hemlock Bark.....	October 31, 1945.....	4,933 03
Tea and Coffee Inventories, Dec. 7/42.....	No longer operative.....	3,055,413 87
Tin— United Kingdom.....	October 31, 1945.....	455,594 55
Vegetables— Beans, White and Yellow Eye, 1943.....	August 15, 1944.....	367,022 13
Beans, White and Yellow Eye, 1944.....	July 31, 1945.....	316,872 25
Potatoes: New.....	August 31, 1943.....	715,810 70
Transportation, 1943 Crop*.....	February 20, 1944.....	6,645 54
Transportation, old.....	No longer operative.....	17,549 51
Woodenware— Basket Bottom Lumber.....	October 31, 1945.....	169 54
Boxes and Shooks, Zone 3.....	December 31, 1944.....	3,535 15
Boxes, Shooks and Baskets, Zone 5.....	December 31, 1944.....	316,714 79
Fruit Box Lumber, Zone 5.....	December 31, 1945.....	37,866 93
Butter Boxes.....		281,521 64
Cheese Box Materials, 1942.....	No longer operative.....	6,158 76
Cheese Boxes, 1943, 1944, 1945.....	December 31, 1945.....	312 90
Egg Boxes and Shooks.....	December 31, 1945.....	101,730 76
Fruit and Vegetable Containers.....	October 31, 1945.....	852,263 22
Apple Barrels and Parts.....	December 31, 1945.....	266,021 84
Powdered Milk Barrels and Nail Kegs.....	July 31, 1945.....	38,853 93
Oars.....	July 31, 1945.....	8,046 20
Special Arrangements.....		1,953,556 71
Wood Fuel— Cordwood \$1.00.....	December 31, 1944.....	2,095,660 49
Transportation.....	December 31, 1944.....	1,439,348 77
Combination Regional.....		2,373,830 29
Vancouver.....	October 11, 1943.....	4,412 57
Charcoal, etc., Special Arrangements.....	July 31, 1945.....	99,759 49
Wool— Raw For Underwear, Special Arrangement.....	August 1, 1943.....	10,010 20
Yarns and Fabrics, Worsted.....	March 31, 1946.....	316,727 39
Yeast, Special Arrangement.....	April 30, 1945.....	36,000 00
Total Domestic Subsidies.....		140,077,732 53
Total of Import and Domestic Subsidies.....		\$ 278,772,810 97

* Responsibility for payment transferred to Wartime Food Corporation.

2. LOSSES ON COMMODITY TRADING

	Dec. 1, 1941 to Dec. 31, 1945
Alcohol, Industrial.....	\$ 2,863,900 57
Artificial Silk Yarns.....	1,640,773 40
Beeswax.....	34,621 68
Bindertwine, Rope and Materials.....	748,287 78
Bristles and Horsehair.....	393,899 82
Broom Corn.....	24,221 60
Citrus Juices.....	1,106,969 42
Cocoa Beans.....	860,920 51
Coffee.....	3,780,033 93
Cotton Yarns and Fabrics.....	6,155,368 79
Dairy Products.....	54,188 59
Feeds.....	25,479 71
Fertilizers.....	289,868 39
Fish Hooks.....	1,087 92
Fruits, Dried.....	10,316,380 41
Jute.....	380,736 78
Oils and Fats.....	6,813,172 51
Pesticides.....	49,220 96
Rubber.....	36,972 58
Spices.....	332,819 71
Surplus Stocks—Clothing and Cotton Fabrics.....	490,498 73
Tea.....	946,191 89
Tin.....	20,256 01
Vegetables—Potatoes.....	11,117 75
Woodenware.....	149,917 21
Wood Fuel.....	6,497 55
Wool.....	3,016,119 71
	<hr/>
War Risk Insurance.....	\$40,549,523 91
	36,366 82
Total.....	<hr/> \$40,585,890 73

N.B.—THESE FIGURES ARE CUMULATIVE COVERING ALL SUBSIDIES PAID AND TRADING LOSSES INCURRED FROM INCEPTION DECEMBER 1, 1941 TO DECEMBER 31, 1945. SUBSIDIES PAID DURING THE CALENDAR YEAR COVERED BY THE REPORT AMOUNTED IN ROUND FIGURES TO \$39,000,000 FOR IMPORTS AND \$39,000,000 FOR DOMESTIC PRODUCTS WHILE TRADING LOSSES INCURRED AMOUNTED TO \$15,000,000 MAKING A GRAND TOTAL OF APPROXIMATELY \$93,000,000.

APPENDIX H

SUMMARY OF OPERATIONS OF OTHER ASSOCIATED COMPANIES OF THE BOARD
FROM DECEMBER 1, 1941, TO DECEMBER 31, 1945, AS SHOWN BY THE FINANCIAL
STATEMENT OF EACH COMPANY

WARTIME FOOD CORPORATION LIMITED—

		Net Deficit
Subsidies Paid—Import (Oranges).....	\$3,534,717 90	
Domestic.....	117,213 85	
	<hr/>	
Commodity Trading Losses—Cattle.....	3,651,931 75	
Other.....	832,281 69	
Administrative Expenses.....	41,661 20	
	138,119 87	
	<hr/>	\$4,663,994 51

CANADIAN WOOL BOARD LIMITED..... 842,304 76

WARTIME SALVAGE LIMITED*..... 434,579 01

* Charter surrendered and operations terminated as at December 31, 1944.

APPENDIX I

ESTIMATED AND ACTUAL EXPENDITURES OF THE WARTIME PRICES
AND TRADE BOARD

	Estimates April 1, 1944 to March 31, 1945	Expenditures April 1, 1944 to March 31, 1945	Estimates April 1, 1945 to March 31, 1946	Expenditures (Nine months) April 1, 1945 to Dec. 31, 1945
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Salaries and Living Allowances.....	9,500,000 00	8,801,274 12	9,610,000 00	7,105,116 64
Travelling Expenses.....	950,000 00	888,376 20	1,000,000 00	720,660 29
Printing and Stationery.....	1,400,000 00	538,729 57	1,150,000 00	504,618 35
Telephones and Telegrams.....	375,000 00	280,044 66	320,000 00	196,160 79
Advertising.....	1,000,000 00	648,607 09	1,750,000 00	882,594 75
Sundries (including local ration board and ration coupon banking costs).....	2,375,000 00	1,562,951 65	2,270,000 00	1,126,053 49
Total.....	15,600,000 00	12,719,983 29	16,100,000 00	10,535,204 31

APPENDIX J

CHANGES IN CUSTOMS VALUATION, DUTIES AND TAXES

P.C. 62/450, Jan. 20, 1942.—Import and excise duties and taxes imposed in any country are to be disregarded in estimating the value for duty of goods imported into Canada.

P.C. 9889, Dec. 19, 1941.—On recommendation of the Wartime Prices and Trade Board with the concurrence of the Minister of Finance, the Minister of National Revenue may accept export selling prices as the basis for valuation for duty purposes.

Under the authority of this Order in Council selling price (actual invoice value) is accepted as the basis for valuation for duty purposes instead of "fair market value as sold for home consumption" in respect of the items listed below.

J-1—Valuation for Customs Purposes Modified

Commodities	Effective date
Automobiles, passenger.....	Mar. 19, 1942
Barrels, wooden, used or second-hand.....	Jan. 2, 1942
Bristles dutiable under Tariff Item 654.....	Apr. 1, 1942
Broom corn.....	June 1, 1943
Chinese menthol.....	Jan. 8, 1942
Condensing units for commercial refrigerators and parts and articles for the manu- facture of such units (including electrical parts).....	Sept. 1, 1944
Cotton, raw.....	Dec. 19, 1941
Dried fruits—	
Dried prunes and plums.....	Dec. 19, 1941
Evaporated or dried apricots.....	Feb. 16, 1942
Raisins and currants.....	Apr. 15, 1942
Dried fruits of all kinds.....	Nov. 2, 1942
Essential oils, whether containing non-alcoholic materials or not, specified in Tariff Item 264.....	Jan. 2, 1942
Ether, sulphuric, and preparations of vinyl ether for anaesthetic purposes.....	Feb. 16, 1942
Feeds, animal or poultry (ex Tariff Item 45).....	Apr. 1 to June 30, 1942, incl.

J-1—Valuation for Customs Purposes Modified—*conc.*

Commodities	Effective date
Galatest.....	Sept. 1, 1942
Hollow-ware, of iron or steel, coated with vitreous enamel, dutiable under Tariff Item 432b.....	July 2, 1942
Metal caps for bottles or jars.....	July 2, 1942
Parts and articles for the manufacture of electric stoves or ranges.....	Sept. 1, 1944
Rice, cleaned or uncleaned, or paddy.....	Dec. 19, 1941
Soya beans, soya bean oil cake, and soya bean oil meal, dutiable under Tariff Item 663c.....	Feb. 2, 1942
Tools, hand of all kinds.....	July 2, 1942
Vegetable oils as specified in Tariff Items 208t, 259a, 259b, 262, 266, 276, 276a, 276b, 277, 277a, 278, 278a, 278b, 278c, 278d, 278e, 280, 711, 824, 831, 838 and 839.....	May 1, 1942
Waxes, vegetable and mineral as specified in Tariff Item 225.....	Dec. 19, 1941
Xanthates— Pentasol amyl xanthate and sodium ethyl xanthate.....	Dec. 19, 1941
Xanthates for use in the process of concentrating ores, metals or minerals (ex Tariff Item 208u).....	Apr. 1, 1943

J-2—Duties and Taxes Modified or Remitted

P.C. No.	Date Passed	Date Effective	Commodity	Effect
9888	19/12/41	19/12/41	General.....	Special or dumping duties suspended for the time being except in respect of importations of fresh fruits and vegetables.
394	20/1/42	1/1/42 to 30/4/42	Anthracite coal.....	Removal of customs duty and war exchange tax on imports into the Maritime Provinces from Intermediate and General Tariff countries.
3472	28/4/42	30/4/42	Anthracite coal.....	Extension of P.C. 394 until further notice.
350	14/1/43	9/1/43	Anthracite coal.....	Removal of war exchange tax.
17373	9/3/42	9/3/42 to 31/12/42	Bituminous coal, when converted into coke to be sold	Reduced usage requirements of Canadian coal from 35 p.c. to 25 p.c. to entitle importer to a drawback of 99 p.c. of the customs duty paid on imported coal.
6220	20/7/42	1/4/42	Bituminous coal when converted into coke to be sold	Rescinded P.C. 1737, eliminating the 25 p.c. provision and substituting approval of administrator
4488	28/5/42	1/5/42 to 14/9/42	Coke.....	Removal of customs duty and war exchange tax on imports from Intermediate and General Tariff countries.
8042	9/9/42	15/9/42	Coke for use in cooking and heating.	Removal of war exchange tax and customs duty.
10824	1/12/42	15/11/42 to 31/3/43	Coal briquettes.....	Removal of war exchange tax and customs duty on imports from Intermediate and General Tariff countries when imported into the customs port at Port Arthur or any port west thereof to the Saskatchewan-Alberta boundary.
1517	1/3/43	1/4/43	Coal briquettes.....	Extension of P.C. 10824 until further notice.
3979	5/6/45	1/6/45	Coal and coke of all kinds...	Removal of war exchange tax.
3739	5/5/42	2/1/42	Soda Ash.....	Removal of customs duty on imports from British Preferential Tariff countries.
4191	19/5/42	2/1/42	Crude Rubber.....	Removal of war exchange tax, customs duty and special excise tax.
5648	30/6/42	2/1/42	Cement clinker.....	Removal of war exchange tax.
1620	2/3/42	15/1/42 to 30/6/42	Alfalfa meal (dehydrated)...	Removal of war exchange tax and customs duty.
4525	29/5/42	2/2/42	Hatters' fur.....	Removal of war exchange tax.
2233	20/3/42	Imported on and after 15/8/41, entered for consumption on and after 2/3/42	Tea.....	Elimination of the additional duty of 5 cts., 7½ cts. and 10 cts. per lb.

J-2—Duties and Taxes Modified or Remitted—*con.*

P.C. No.	Date Passed	Date Effective	Commodity	Effect
1663	5/3/42	5/3/42	Woven fabrics not made in Canada of artificial silk imported by manufacturers of ties, etc., for their own use.	Duty reduced by application of a lower tariff item.
4489	28/5/42	1/4/42	Copra.....	Removal of war exchange tax, customs duty and special excise tax.
3011	14/4/42	1/4/42 to 31/7/42	Dried whey, skim milk and buttermilk for animal or poultry feeds.	Removal of war exchange tax and customs duty.
7353	18/8/42	31/7/42	Dried whey, etc.....	Extension of P.C. 3011 to cover imports which entered Canada but were not cleared through customs on or before July 31, 1942.
6010	1/8/44	1/8/44 to 31/12/44	Dried whey, skim milk and buttermilk for animal or poultry feeds.	Removal of war exchange tax and customs duty.
9484	21/12/44	1/1/45 to 30/4/45	Dried whey, etc.....	Extension of P.C. 6010.
6582	27/7/42	1/4/42	Sugar.....	Removal of war exchange tax, customs duty and special excise tax.
545	9/2/43	1/9/43	Sugar enumerated in Tariff Items 134, 135, 135a and 135b.	Reduction of rate of excise tax from 1½ cts. to 1c. per lb.
6047	14/7/42	1/5/42	Second-hand bags of jute, cotton, etc.	Removal of war exchange tax, customs duty and special excise tax.
9058	6/10/42	1/5/42	Second-hand bags and bagging materials reclaimed from such bags when made from fabric wholly of vegetable fibre.	Removal of war exchange tax, customs duty and special excise tax (Enlargement of P.C. 6047).
9759	27/10/42	15/10/42	Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, when imported by manufacturers of cotton bags for use exclusively in their own factories.	Removal of war exchange tax, customs duty and special excise tax.
7021	13/8/42	1/8/42	Vegetable fibres other than cotton.	Removal of war exchange tax and special excise tax.
5015	15/6/42	1/5/42 to 31/12/42	Animal glue, powdered or sheet.	Removal of war exchange tax and customs duty on imports from British Preferential and Intermediate Tariff countries.
11791	31/12/42	1/1/43 to 30/6/43	Glue, powdered or sheet...	Extension of P.C. 5015.
5198	29/7/43	1/7/43 revoked 1/11/43	Glue, n.o.p. (ex Tariff Item 232).	Removal of war exchange tax and customs duty on imports from Intermediate Tariff countries and of customs duty on imports from British Preferential Tariff countries.
8088	19/10/43	1/11/43	Animal glue (Tariff Item 231c).	As above. The new order in council made adjustments to fit an alteration in tariff items.
4490	28/5/42	1/5/42	Tin in blocks, pigs or bars....	Removal of war exchange tax, customs duty and special excise tax.
6046	14/7/42	1/7/42	Cascara sagrada extract.....	Removal of war exchange tax and customs duty on imports from Intermediate Tariff countries.
7020	13/8/42	11/8/42	Pine lumber, ponderosa and California sugar pine.	Removal of war exchange tax, customs duty and special excise tax.
9057	6/10/42	24/9/42 to 14/4/43	Beeswax.....	Removal of war exchange tax, customs duty and special excise tax.
2678	2/4/43	15/4/43	Beeswax.....	Removal of war exchange tax, customs duty and special excise tax restricted to imports of unrefined beeswax under new Tariff Item 15a.
9374	13/10/42	7/10/42	Crushed oyster shell.....	Removal of war exchange tax, customs duty and special excise tax.
1035	9/2/43	2/11/42	Watch actions and movements, finished or unfinished.	Removal of war exchange tax.
10799	8/12/42	1/12/42 to 31/12/42	Oranges.....	Removal of customs duty on imports from Intermediate Tariff countries.
11139	8/12/42	1/12/42	Oranges.....	Removal of war exchange tax.
6083	30/7/43	1/8/43 to 31/12/43	Oranges.....	Removal of customs duty.
5999	31/7/44	1/8/44 to 31/12/44	Oranges.....	Removal of customs duty.
8337	28/10/43	15/9/43	Oranges (Mexican).....	Removal of special excise tax.

J-2—Duties and Taxes Modified or Remitted—*con.*

P.C. No.	Date Passed	Date Effective	Commodity	Effect
5371	2/8/45	1/8/45 to 31/12/45	Oranges.....	Removal of customs duty.
11594	22/12/42	1/12/42	Second-hand rope for disintegration or conversion into usable cordage.	Removal of war exchange tax, customs duty and special excise tax.
2331	23/3/43	1/3/43	Cotton yarn for use in the manufacture of binder-twine and twine for harvest binders.	Removal of war exchange tax.
11140	8/12/42	7/12/42	Coffee (green).....	Removal of the additional duty of 10 cts. per lb.
8885	18/11/43	1/11/43	Coffee extract, imitations and substitutes.	Removal of the additional duty of 10 cts. per lb.
11591	22/12/42	16/12/42	Bananas.....	Removal of war exchange tax, customs duty and special excise tax.
2324	23/3/43	1/3/43	Rice, uncleaned, unhulled or paddy.	Removal of war exchange tax and special excise tax.
2989	13/4/43	15/4/43	Rice, cleaned, except rice for the purpose of producing malt (Tariff Item 63a).	Removal of war exchange tax, customs duty and special excise tax.
3300	22/4/43	1/5/43	Ice.....	Removal of war exchange tax.
3757	6/5/43	1/5/43 to 31/6/43	Potatoes in their natural state.	Removal of war exchange tax.
4894 as amended by 7078	15/6/43	22/6/43	Potatoes, onions, green beans, cabbage, carrots, celery, lettuce, green peas, spinach, tomatoes, pineapple, etc., grapefruit, and lemons.	Removal of war exchange tax and special excise tax.
4175	14/6/45	15/6/45 to 30/6/45	Potatoes in their natural state (not including yams or sweet potatoes).	Removal of customs duty on imports from Intermediate Tariff countries.
1396	4/3/44	1/3/44	Beets, fresh, in their natural state.	Removal of war exchange tax and special excise tax.
9796	24/12/43	1/1/44 to 30/4/44	Onions in their natural state (not to include onions grown with tops, shallots, and onion sets).	Removal of customs duty.
1682	13/3/44	1/5/44 to 15/5/44	Onions, etc.....	Extension of P.C. 9796, 24/12/43.
3056	27/4/44	15/5/44 to 17/6/44	Onions etc.....	Extension of P.C. 1682.
5551	13/7/43	1/7/43	Crude petroleum imported by refineries to be refined in their own factories (Tariff Item 267c) and products of petroleum, n.o.p., 934 specific gravity (20 A.P.I.) or heavier at 60 deg. F. (ex Tariff Item 269), both when imported into B.C. ports in bulk by tank vessels.	Removal of war exchange tax.
6011	1/8/44	1/1/44 to 31/12/44	Products of petroleum, n.o.p., 934 specific gravity (20 A.P.I.) or heavier at 60 deg. F. (ex tariff Item 269b) when imported into B.C. ports in bulk in tank vessels.	Removal of customs duty.
1681	13/3/44	20/3/44	Raw cotton and cotton linters ex Tariff Item 520. Rovings, yarns, warps and woven fabrics specified in Tariff Items 522, 522a, 523, 523a, 523b.	Removal of war exchange tax.
2509	6/4/44	1/4/44	Palm kernels.....	Removal of war exchange tax, customs duty and special excise tax.

J-2—Duties and Taxes Modified or Remitted—*conc.*

P.C. No.	Date Passed	Date Effective	Commodity	Effect
6651 super- seding 4936	22/8/44 26/6/44	1/4/44	Materials and components for use in the manufacture of agricultural implements, as specified in Tariff Item 386(c), 408, 442, 442c, 458 and 502c; engine boilers and complete parts ex 428c; hub blocks, felloes, spikes, etc. as described; articles entering into the cost of manufacturing goods specified in Tariff Items 409h, 409i, 409l and 409m.	Removal of war exchange tax.
5104	3/7/44	15/6/44	Waste, wholly of cotton imported by manufacturers for use in the manufacture of yarn in their own factories (ex Tariff Items 520 and 520b).	Removal of war exchange tax.
5105	3/7/44	10/7/44	Fresh apricots, cherries, peaches, pears, plums or prunes, apples, grapes, cantaloupes and muskmelons, melons, n.o.p.	Removal of war exchange tax and special excise tax.
8822	21/11/44	1/11/44 to 30/6/45	Woven fabrics of cotton and not more than 50% by weight of synthetic textile fibre or filaments for use in manufacture of clothing.	Reduction of customs duty and removal of war exchange tax.
3845	29/5/45	1/7/45 to 31/12/45	Woven fabrics of cotton and not more than 50% by weight of synthetic textile fibre or filaments for use in manufacture of clothing.	Extension of P.C. 8822.
7017	20/11/45	1/1/46 to 31/3/46	Woven fabrics of cotton and not more than 50% by weight of synthetic textile fibre or filaments for use in manufacture of clothing.	Extension of P.C. 3845.
8972	28/11/44	1/10/44	Bristles.....	Removal of war exchange tax.
9272	15/12/44	1/10/44	Riboflavin for livestock and poultry feeds.	Removal of customs duty, war exchange tax and special excise tax.
9135	15/12/44	1/11/44	Rubber or gutta percha waste or junk ex Tariff Item 616 (ii).	Removal of war exchange tax.
3037	26/4/45	1/4/45 to 31/3/46	Staves and heading of wood, finished or unfinished, for use in the manufacture of tight barrels or kegs.	Removal of war exchange tax, customs duty and special excise tax.
3980	5/6/45	1/5/45	Peanuts, green, in the shell or not further processed than shelled for use in the production of oil and oil cake or oil cake meal, (Ex Tariff Item 109a).	Removal of war exchange tax and special excise tax.
6224	25/9/45	1/9/45	Rosin sizing (Tariff Item 39e). Gum and gum resins not edible, in a crude state, etc. (ex Tariff Item 204); resin or rosin (ex Tariff Item 584).	Removal of war exchange tax.

APPENDIX K

K-1—INDEX NUMBERS OF THE COST OF LIVING IN CANADA DURING ACTUAL HOSTILITIES IN TWO WORLD WARS

	TOTAL		FOOD		RENT		CLOTHING		FUEL AND LIGHTING		MISCELLANEOUS	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
	1914	1939	1914	1939	1914	1939	1914	1939	1914	1939	1914	1939
October.....	102.9	102.7	107.9	107.0	100.0	100.6	101.0	99.5	99.9	105.5	100.0	100.3
	1915	1940	1915	1940	1915	1940	1915	1940	1915	1940	1915	1940
January.....	102.7	103.0	107.5	105.2	96.8	100.6	104.0	103.2	99.5	106.6	100.0	101.3
April.....	101.9	103.8	104.4	105.5	96.8	100.6	106.9	107.7	99.3	107.0	100.0	101.8
July.....	102.0	104.8	104.2	106.0	96.8	100.6	108.9	109.0	98.1	109.0	100.0	102.3
October.....	103.1	106.2	104.5	106.8	96.8	103.8	113.8	113.4	98.4	109.1	101.0	103.5
	1916	1941	1916	1941	1916	1941	1916	1941	1916	1941	1916	1941
January.....	106.1	107.4	110.6	110.5	97.9	103.8	114.8	113.6	98.5	109.7	103.0	104.1
April.....	107.4	107.7	111.2	110.9	97.9	103.8	119.8	114.2	98.7	110.0	104.0	104.2
July.....	109.2	111.0	111.8	117.4	97.9	105.7	124.8	115.0	99.7	111.6	107.0	106.4
October.....	114.8	114.6	123.4	124.1	97.9	107.1	130.7	119.5	102.4	113.2	109.1	108.3
	1917	1942	1917	1942	1917	1942	1917	1942	1917	1942	1917	1942
January.....	121.8	114.5	135.7	123.2	105.1	107.1	136.7	119.8	109.7	114.0	110.1	108.6
April.....	125.8	115.0	142.3	124.6	105.1	107.1	141.6	119.7	108.8	114.0	114.1	108.9
July.....	131.6	117.0	153.3	131.2	105.1	107.2	147.6	119.9	112.0	113.6	117.1	108.8
October.....	134.4	116.9	156.6	130.7	105.1	107.2	152.5	120.0	114.0	113.9	120.0	108.8
	1918	1943	1918	1943	1918	1943	1918	1943	1918	1943	1918	1943
January.....	138.9	116.2	165.1	128.2	105.1	107.2	158.4	120.1	118.3	113.9	122.0	109.1
April.....	142.1	116.7	166.7	129.6	108.2	107.2	165.3	120.1	119.5	113.8	126.0	109.2
July.....	147.7	117.9	173.5	132.7	113.3	107.4	171.3	120.4	122.0	114.5	131.0	109.6
October.....	152.9	118.4	181.0	133.8	114.4	107.8	179.3	121.0	129.4	114.4	134.1	109.8
November.....	153.8	118.5	181.0	134.0	114.4	107.8	181.2	121.0	131.1	114.4	136.1	109.8
		1944		1944		1944		1944		1944		1944
January.....		118.1		132.4		107.8		121.0		113.8		110.3
April.....		118.2		132.4		107.8		121.3		114.1		110.3
July.....		118.1		132.9		107.8		121.4		110.0		110.3
October.....		117.7		131.7		107.9		121.5		109.8		110.3

K-1—INDEX NUMBERS OF THE COST OF LIVING IN CANADA DURING ACTUAL HOSTILITIES IN TWO WORLD WARS—*Contc.*

	TOTAL		FOOD		RENT		CLOTHING		FUEL AND LIGHTING		MISCELLANEOUS	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
January.....		1945		1945		1945		1945		1945		1945
February.....		117.7		131.1		107.9		121.7		110.2		110.5
March.....		117.8		131.9		107.9		121.7		107.8		110.5
April.....		119.3		136.6		108.0		122.1		107.6		110.9
May.....		119.5		137.2		108.0		122.0		107.6		111.0
June.....												
July.....												
August.....												

K-2—INDEX NUMBERS OF COST OF LIVING IN CANADA DURING THE LAST YEAR OF HOSTILITIES AND INTO THE AFTERMATH OF TWO WORLD WARS

	TOTAL		FOOD		RENT		CLOTHING		FUEL AND LIGHTING		MISCELLANEOUS	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
January.....	138.9	117.7	165.1	131.1	105.1	107.9	158.4	121.7	118.3	110.2	122.0	110.5
February.....	140.1	117.7	166.5	131.5	105.1	107.9	161.4	121.6	118.4	108.5	123.0	110.5
March.....	141.5	117.8	168.2	131.9	106.1	107.9	163.4	121.6	119.6	108.4	124.0	110.5
April.....	142.1	117.8	166.7	131.9	108.2	107.9	165.3	121.7	119.5	107.8	126.0	110.5
May.....	144.0	118.1	168.5	132.6	110.3	108.0	167.4	121.9	119.6	107.7	128.0	110.8
June.....	145.9	118.7	170.4	134.3	112.3	108.0	169.3	122.0	120.2	107.7	130.0	110.8
July.....	147.7	119.3	173.5	136.6	113.3	108.0	171.3	122.1	122.0	107.6	131.0	110.9
August.....	151.4	119.5	179.9	137.2	115.4	108.0	175.3	122.0	125.4	107.6	133.0	111.0
September.....	151.1	118.9	178.2	135.1	113.3	108.0	177.2	122.1	127.2	107.8	134.1	111.1
October.....	152.9	118.8	181.0	134.2	114.4	108.2	179.3	122.3	129.4	107.8	136.1	111.1
November.....	153.8	118.9	181.0	134.9	114.4	108.2	181.2	122.4	131.1	107.7	137.1	111.1
December.....	155.0	119.1	182.1	135.2	114.4	108.2	183.1	122.4	133.4	108.2		

APPENDIX L

L-1—Index Numbers of Wholesale Prices During Actual Hostilities in Two Wars

	ALL COMMODITIES			FULLY OR CHIEFLY MANUFACTURED GOODS		CANADIAN FARM PRODUCTS	
	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100
October.....	1914	1939	1914	1939	1914	1939	1914
	103.7	110.1	107.9	109.4	106.9	111.0	
January.....	1915	1940	1915	1940	1915	1940	
April.....	107.9	114.2	109.6	112.3	121.6	119.9	
July.....	111.5	114.9	114.5	112.3	123.0	123.5	
October.....	109.2	114.2	111.5	111.2	112.2	110.3	
	107.0	115.2	108.7	112.7	106.3	110.6	
January.....	1916	1941	1916	1941	1916	1941	
April.....	121.7	117.3	122.6	114.9	123.8	115.1	
July.....	124.5	120.1	127.3	117.8	118.6	119.0	
October.....	126.4	126.1	128.7	124.5	121.3	122.8	
	140.4	129.9	142.9	128.2	148.1	126.9	
January.....	1917	1942	1917	1942	1917	1942	
April.....	156.8	130.2	158.8	126.4	167.6	135.6	
July.....	171.9	131.4	170.8	126.6	186.2	139.4	
October.....	184.2	132.9	182.5	126.6	200.3	138.9	
	182.1	133.6	188.8	127.0	184.9	146.7	
January.....	1918	1943	1918	1943	1918	1943	
April.....	190.5	134.3	192.3	127.5	197.7	150.2	
July.....	193.8	136.9	199.2	128.1	188.6	158.0	
October.....	198.3	138.5	199.7	127.8	191.1	165.1	
November.....	205.7	140.9	209.1	129.1	195.3	177.4	
	206.2	141.6	208.7	129.2	202.1	178.4	
January.....	1944	1944	1944	1944	1944	1944	
April.....	141.8	141.8	129.2	129.2	141.8	178.1	
July.....	142.3	142.3	129.2	129.2	178.1	178.1	
October.....	141.6	141.6	128.9	128.9	174.7	176.4	
January.....	1945	1945	1945	1945	1945	1945	
April.....	142.2	142.2	129.2	129.2	178.8	178.8	
July.....	143.0	143.0	129.8	129.8	180.3	180.3	
October.....	143.8	143.8	129.2	129.2	184.6	184.6	
August.....	143.0	143.0	129.2	129.2	181.2	181.2	

L-2—Index Numbers of Wholesale Prices During the Last Year of Hostilities and into the Aftermath of Two World Wars

	ALL COMMODITIES			FULLY OR CHIEFLY MANUFACTURED GOODS		CANADIAN FARM PRODUCTS	
	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100	War II Aug. '39 = 100	War I July '14 = 100
January.....	1918	1945	1918	1945	1918	1945	1918
February.....	190.5	142.2	192.3	129.2	197.7	178.8	
March.....	190.8	142.3	192.9	129.8	198.8	179.1	
April.....	193.2	142.5	197.3	129.1	198.5	180.0	
May.....	193.8	143.0	199.2	129.8	198.6	180.3	
June.....	193.5	142.5	197.9	129.2	187.8	179.1	
July.....	194.9	142.7	198.1	129.1	187.1	181.0	
August.....	198.3	143.8	199.7	129.2	191.1	184.6	
September.....	201.6	143.0	204.9	129.2	193.1	181.2	
October.....	205.7	142.0	207.1	129.2	195.9	177.2	
November.....	206.2	142.6	209.1	129.3	195.3	180.8	
December.....	204.3	142.9	208.7	129.6	202.1	181.7	
	1919	1946	1919	1946	201.3	182.0	
January.....	204.8	143.8	209.5	131.0	192.5	182.4	
February.....	199.5	144.7	205.7	131.1	196.5	183.2	
March.....	199.1	199.1	204.9	199.1	196.0	196.0	
April.....	196.9	196.9	201.1	196.9	203.5	203.5	
May.....	200.2	200.2	201.7	200.2	208.2	208.2	
June.....	200.5	200.5	203.6	203.6	210.0	210.0	
July.....	201.6	201.6	206.8	206.8	206.0	206.0	
August.....	205.7	205.7	209.9	209.9	216.3	216.3	
September.....	212.4	212.4	214.5	214.5	227.0	227.0	
October.....	212.7	212.7	213.2	213.2	228.0	228.0	
November.....	216.1	216.1	213.7	213.7	234.3	234.3	
December.....	222.0	222.0	216.9	216.9	239.4	239.4	
January.....	1920	1947	1920	1947	1920	1947	
February.....	232.0	232.0	231.4	231.4	246.5	246.5	
March.....	237.4	237.4	233.6	233.6	248.2	248.2	
April.....	239.9	239.9	237.7	237.7	248.5	248.5	
May.....	256.1	256.1	247.3	247.3	250.7	250.7	
June.....	253.6	253.6	254.7	254.7	257.8	257.8	
July.....	254.8	254.8	258.2	258.2	253.5	253.5	
August.....	248.8	248.8	266.6	266.6	247.5	247.5	
September.....	244.1	244.1	264.0	264.0	234.3	234.3	
October.....	234.9	234.9	260.3	260.3	231.5	231.5	
November.....	223.1	223.1	252.7	252.7	215.7	215.7	
December.....	216.0	216.0	204.3	204.3	204.3	204.3	
			221.1	221.1	197.7	197.7	

446245
 Gov. Doc Canada. Wartime Prices and Trade Board
 Can Report ...
 W [4th] (1945)

DATE.	NAME OF BORROWER.
Mar. 10/46	Brid. exp. (stat.)
Aug. 16. 46	C. W. Hooper, stud.
Sept. 10/46	W. Mann
June 26/50	L. Trueman
June 4/52	T. John Ramakrishnan. 26 Mainland St. W.

University of Toronto
 Library

DO NOT
 REMOVE
 THE
 CARD
 FROM
 THIS
 POCKET

Acme Library Card Pocket
 LOWE-MARTIN CO. LIMITED

